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KYODO PREVIEWS NAKASONE'S EAST EUROPE TOUR

OW090500 Tokyo KYODO in English 0448 GMT 9 Jan 87

[Report by Hisako Yoshida: "Nakasone Set To Leave for European Tour"]

[Text] Tokyo, Jan. 9 KYODO -- Prime Minister Yasuhiro Nakasone leaves Saturday for a visit to Finland, East Germany, Yugoslavia and Poland with the avowed aim of promoting a relaxation of East-West tension. Nakasone said peace and disarmament, revitalization of the world economy and finding a solution to the problems of poor countries will be major objectives of the trip. He added in a brief pre-departure ceremony Thursday that he also hopes to seek more friendly ties with the four nations he is going to. The visits are in return for visits by leaders of the four nations to Japan, he said.

While in Yugoslavia, Nakasone is expected to express support for Yugoslavia's nonaligned policy.

In Poland and East Germany, the prime minister will try to bolster efforts of those countries to establish expanded diplomatic and economic ties with Asian countries. Government sources said the premier plans to pledge some 200 million dollars worth of credit to Poland, which is suffering a hard-currency squeeze. Poland has piled up 30 billion dollars in foreign debt from Western Banks, and Japan suspended a supply of new credits to Poland after it imposed martial law in 1981.

In Finland, bilateral trade is expected to dominate Nakasone's talks with government leaders. Finland has asked Japan to approve an additional regular weekly flight between Helsinki and Tokyo, instead of one at present, and Nakasone is expected to convey Japan's approval. Finland has also asked Japan to buy more pulp for use in newspaper printing, Japanese officials said.

In the Yugoslav capital, Belgrade, Nakasone will deliver a major speech on the aims of his trip. The speech is expected to stress Japan's pledge not to become a military power and to call for efforts to help end the stalemate in disarmament negotiation between the United States and the Soviet Union after the Reykjavik summit.

Leaders Nakasone will meet during his European tour include Finnish President Mauno Koivisto, East German Council of State Chairman Erich Honecker, Yugoslav Prime Minister Branko Mikulic and Polish Council of State Chairman Wojciech Jaruzelski.

Nakasone will urge East Germany and Poland to take part in the 1988 Seoul Olympic Games, government officials said. He will also seek expanded cultural exchanges, and will propose that some 20 young people from each of the four nations visit Japan starting from next April.

AUTOMAKERS SEEK TO DEVELOP EAST EUROPEAN MARKET

OW080337 Tokyo KYODO in English 0328 GMT 8 Jan 87

[Text] Tokyo, Jan. 8 KYODO -- Mitsubishi Motors Corp. will be the first Japanese automaker to export a substantial volume of passenger cars to Yugoslavia when the leading carmaker ships 1,000 subcompacts to the East European country over the next two years, a company spokesman said Thursday. Mitsubishi said the Tokyo-based firm will start shipping "Mirage" cars from February. The 1,800 cc diesel-powered cars will be sold through Unikomerc, its sales agent in Yugoslavia.

The spokesman said the deal resulted from its free supply of 73 cars for use during the 1984 Winter Olympics in Sarajevo, central Yugoslavia. A similar request came from Yugoslavia for the 1987 Universiad Games in Zagreb, northwestern Yugoslavia, he said.

Mitsubishi will also export this year 1,000 units of "Mirage" and "Galant" cars to Poland through Pol-Mot, the nation's export and import corporation, with shipment scheduled to start in February, he said. The Galant also has an 1,800 cc diesel engine. The official said the company took the step since exports to major world markets -- the United States and the European Community (EC) -- have hit bottom due to the so-called "self-restraint" in exports imposed by Japanese carmakers. Moreover, shipments to Southeast Asia and the Middle East have declined due to the yen's sharp rise and a slowdown in demand, he said.

Likewise, two other top Japanese automakers -- Toyota Motor and Nissan Motor -- are negotiating with Poland and Hungary, and Bulgaria, respectively, for similar reasons.

JSP LEADER RESOLVED TO FIGHT GOVERNMENT

OW080505 Tokyo KYODO in English 0459 GMT 8 Jan 87

[Text] Tokyo, Jan. 8 KYODO -- Japan Socialist Party (JSP) Chairwoman Takako Doi Thursday reiterated her resolve to fight the government of Prime Minister Yasuhiro Nakasone in the Diet deliberations getting under way late this month. Doi, speaking to the party Executive Central Committee meeting held at the party headquarters, said that the "JSP should make utmost efforts to confront the government while preparing to submit a nonconfidence vote against it in the Diet."

"The cabinet of Prime Minister Nakasone intends to increase tax, scrap the defense ceiling below 1 percent of the gross national product (GNP) in fiscal 1987 and pass the controversial antiespionage bill in the upcoming Diet session," Doi said. Commenting on the defense budget exceeding the long-standing 1-percent-of-GNP ceiling, Doi said, "It is causing criticism and worries both at home and abroad."

On diplomatic scenes, she stressed the need to improve U.S. -Japan relations by saying that the JSP should review policies on the bilateral relations in view of mutual cooperation. "Discussion focused too much on defense and economic friction between the two countries," the first party chairwoman added. Political observers interpreted her remarks as meaning that she anxiously wants to visit the United States sometime following the local elections nationwide scheduled for April.

YI KUN-MO, O CHIN-U TO SEND LETTER TO SOUTH

SK090525 Pyongyang Domestic Service in Korean 0500 GMT 9 Jan 87

[Telephone notice from Yi Kun-mo, premier of the DPRK State Administration Council, and O Chin-u, minister of the People's Armed Forces, to No Sin-yong, ROK prime minister, and Yi Ki-paek, defense minister, on 9 January -- read by announcer]

[Text] On 9 January, the premier of the DPRK State Administration Council and the Minister of the People's Armed Forces sent the following telephone notice to the prime minister and defense minister of the South Korean side: To No Sin-yong, premier minister of the Republic of Korea [taehanminguk], and Yi Ki-paek, defense minister:

Proceeding from aspirations to ease the strained situation prevailing in the country and to opening a bright future road for peace and peaceful reunification, we have decided to send you a letter containing our constructive and reasonable proposal. In connection with this, we will send two liaison officers, who will convey our letter to your side, to the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1100 on Saturday, 10 January 1987. We hope that your side will send to this place the counterpart liaison officers who will accept this letter.

[Signed] Yi Kun-mo, premier of the DPRK State Administration Council, and O Chin-u, minister of the People's Armed Forces.

[Dated] 9 January 1987.

DPRK-USSR 1987-88 EXCHANGE PLAN SIGNED 7 JAN

SK090421 Pyongyang KCNA in English 0414 GMT 9 Jan 87

[Text] Pyongyang January 9 (KCNA) -- A 1987-88 exchange plan between the foreign ministries of Korea and the Soviet Union was signed in Moscow on January 7.

It was signed by Yi In-kyu, Korean vice-minister of foreign affairs, and Igor Rogachev, his Soviet counterpart.

POSITIVE RESPONSE TO TALKS PROPOSAL CALLED FOR

SK060427 Pyongyang KCNA in English 0412 GMT 6 Jan 87

[Text] Pyongyang January 6 (KCNA) -- If the South Korean authorities have the least concern for peace in the country and its reunification, they should ponder over our proposal for North-South high-level political and military talks and react to it with an affirmative response, says NODONG SINUM Tuesday.

In its signed article titled "Key to New Breakthrough in National Reunification," the paper notes:

The great leader Comrade Kim Il-song in his historic policy speech at the First Session of the Eighth Supreme People's Assembly put forward a new national salvation proposal for holding North-South high-level political and military talks.

This proposal is a momentous national salvation proposal indicating a practical way for breaking the impasse over reunification on the basis of a scientific analysis of the situation obtaining on the Korean peninsula.

Now the political and military confrontation between the North and the South has reached a most acute phase ever known, in spite of the sincere efforts of our party and the DPRK Government for peace in the country and its reunification. This is because the South Korean authorities are driving at a greater strain, racing headlong toward confrontation and war with the encouragement of the U.S. imperialists.

The political and military confrontation, the main factor of the serious distrust between the two parts of the country, cannot be dispelled by humanitarian or any other talks. This is a lesson left behind by the North-South dialogues in the past period.

How they approach our proposal for North-South high-level political and military talks will become a touchstone to show whether or not the South Korean authorities have a will to terminate the political and military confrontation and solve the reunification questions through dialogue and negotiation.

NODONG SINMUN VIEWS 'EPOCHAL' TALKS PROPOSAL

SK081028 Pyongyang KCNA in English 1017 GMT 8 Jan 87

[Text] Pyongyang January 8 (KCNA) -- NODONG SINMUN today says that the proposal for North-South high-level political and military talks advanced by the great leader Comrade Kim Il-song is an epochal nation-saving measure to break the present deadlock between the North and the South and make a new breakthrough for peace in the country and for its independent and peaceful reunification through dialogue and negotiation.

The paper notes:

The respected leader Comrade Kim Il-song in his historic policy speech at the First Session of the Eighth Supreme People's Assembly advanced a new nation-saving proposal for holding North-South high-level political and military talks to indicate a short-cut to bar the stream of the grave situation moving toward a dangerous phase and promote peace and peaceful reunification.

If war manoeuvres frantically stepped up by the U.S. imperialist and South Korean authorities who have brought the multi-channelled North-South dialogues to suspension are not checked, war will break out again on the Korean peninsula.

If the political and military confrontation between the North and the South is not removed, it will be impossible to open a new phase for the improvement of the North-South relations and for peace in the country and its peaceful reunification.

The proposal for North-South high-level political and military talks is an epochal nation-saving proposal indicating the way to prevent irrevocable disasters which will befall the fellow countrymen and to save the country and the nation at the crossroads of life or death.

If this proposal is realised, the confrontation and danger of war will disappear in our country, an atmosphere of trust and unity be created, the deadlocked multi-channelled North-South dialogues be resumed, and furthermore, top-level talks be opened to solve the fundamental problems for the reunification of the country.

If the South Korean authorities truly want to break the present deadlock between the North and the South and follow with us the road of peace in the country and its peaceful reunification, they should show a positive response to our proposal for North-South high-level political and military talks.

NODONG SINMUN DENOUNCES REMARKS OF DJP CHAIRMAN

SK071112 Pyongyang Domestic Service in Korean 2154 GMT 6 Jan 87

[NODONG SINMUN 7 January commentary: "In Order To Pursue Dictatorship by the DJP]

[Text] Hurriedly running around since the beginning of the New Year, the DJP chairman has loudly babbled that the peaceful transfer of power would be attained after revising the Constitution by mutual consent amid dialogue and negotiations, that the plan for constitutional revision into a parliamentary cabinet system advanced by the DJP is the demand of the times for the consolidation of democracy, and so forth. At the beginning of the New Year, traitor Chon Tu-hwan, the puppet prime minister, and other rabble of the DJP regime, including the puppet home minister, raved about strengthening their repressive system to extend their hold on power and maintained a posture for confrontation with someone else, busily going around to police and the puppet army units without stopping for even a night's sleep.

This time, the so-called high-ranking officials of the DJP are babbling about constitutional revision through mutual consent, carrying about a bundle of papers on constitutional revision favoring the parliamentary cabinet system.

The moves of the Chon Tu-hwan clique since the beginning of the New Year indicate that the rascals will repress the South Korean people's aspirations for independence, democracy, and reunification through fascist violence by their suppressive forces while attempting to maintain and extend their hold on power which faces the destiny of downfall, by consolidating the foundation for long-term power on the pretext of constitutional revision by mutual consent.

The reactionary contents of the so-called plan for constitutional revision into a parliamentary cabinet system, which the puppets are going to achieve at any cost by eradicating the people's demand for constitutional revision favoring a direct election system with bayonets and guns and by dragging along the opposition parties, shows more clearly the puppets' intent. The parliamentary cabinet system advanced by the DJP hooligans is trickery designed to extend the DJP dictatorship and ensure traitor Chon Tu-hwan's long-term power.

According to reports, in their plan for constitutional revision to a parliamentary cabinet system, the puppets concentrate all power, including the right to take emergency measures, the right to appoint cabinet members, and the right to submit bills, upon the prime minister. They would organize an advisory council for the prime minister and the former president would be posted as its chairman.

This means that traitor Chon Tu-hwan will take over the chairmanship, a position of powerful authority, while remaining in the post of DJP president and that he would continuously exercise power, but place the prime minister in front.

The Japanese magazine SEKAI noted that the parliamentary cabinet system the puppets are trying to forcibly achieve is a plot for long-term power, and because of this, a military fascist regime even worse than present one could be fabricated. Traitor Chon Tu-hwan and his DJP stooges do not pursue the transfer of power, but seek to settle the immediate crisis in power and establish a more wicked fascist DJP dictatorship.

That the DJP talks loudly about constitutional revision by mutual consent, dialogue, negotiations, and so forth is designed to legalize its maneuvers to extend power and disguise themselves as following the popular will. The DJP hooligans perpetrated only tyranny in the past by abusing their public power and taking advantage of their position as the majority in the Assembly.

In the past puppet National Assembly session, the rascals arrested a NKDP assemblyman and unilaterally passed more than 100 bills, including this year's budget plan and other legislative bills that require the assembly approval, thus perpetrating tyranny. These rascals are attempting to make the opposition parties serve as accomplices in the maneuvers to extend power. This is a mean political smear and slanderous act.

The Chon Tu-hwan clique is trying to extend its power by shifting the presidential system to a parliamentary cabinet system. However, the people have realized its true intention. A foreign publication noted that even if traitor Chon Tu-hwan takes off his mask of the jackal, his nature will not change. The maneuvers to extend the power of the Chon Tu-hwan clique which betrayed the people will arouse the greater resistance of the South Korean people. The puppets cannot avoid downfall.

DJP CONSTITUTIONAL REVISION PROPOSAL DENOUNCED

SK070429 Pyongyang KCNA in English 0421 GMT 7 Jan 87

[Text] Pyongyang January (KCNA) -- The representative member of the "Democratic Justice Party" of South Korea prattled that they would "transfer power peacefully" through "an agreed constitutional revision by means of dialogue and compromise" and a "parliamentary cabinet system" proposed by them was precisely a "demand of the times" and for the "adaptation of democracy".

NODONG SINMUN today in a signed commentary hits at this jargon.

It says:

The "constitutional revision for parliamentary cabinet system" proposed by the "DJP" hooligans is one for the prolongation of the "DJP" dictatorial system and a trick to ensure the long-term office of the traitor Chon Tu-hwan.

The traitor schemes to retain his post as the "president of the Democratic Justice Party" and hold the chairmanship of the "advisory organ of the prime minister" with vast rights and exercise his power as ever through the "prime minister".

What the traitor Chon Tu-hwan and his underlings of the "DJP" seek is not a "change of power" but the resolution of the immediate crisis of "power" and the establishment of a more draconic fascist dictatorship of the "DJP".

The talk of the "DJP" about "agreed constitutional revision", "dialogue" and "compromise" is a scheme to inveigle the "New Korea Democratic Party" and other opposition parties to justify the scheme to perpetuate its power and put the label of "public sentiments" on it.

The scheme of the Chon Tu-hwan group to use the opposition parties as a middleman for its long-term office, prattling about "compromise" and "agreed constitutional revision" is a dastardly political stratagem.

NODONG SINMUN HAILS KIM IL-SONG'S POLICY SPEECH

SK061533 Pyongyang KCNA in English 1501 GMT 6 Jan 87

[Text] Pyongyang January 6 (KCNA) -- The great leader Comrade Kim Il-song in his historic policy speech "For the Complete Victory of Socialism" has further developed in depth and systematized in an integral way the church-oriented theory on the complete victory of socialism. This is an undying historic feat which gives a perfect answer to the urgent theoretical and practical problem raised by the revolutionary practice in our era which is advancing towards socialism and communism.

Dr. Yi Song-chun says this in an article contributed to January 6 issue of NODONG SINMUN under the title "Immortal Encyclopedia Which Consummates Revolutionary Theory on Complete Victory of Socialism".

He further says:

What is important in the original theory on the complete victory of socialism expounded in the policy speech is, above all, a theory on the historic necessity of achieving the complete victory of socialism.

To achieve the complete victory of socialism is a historic task to put an end to the period of transition from capitalism to socialism and complete a socialist society, a lower stage of communism. The problem of the complete victory of socialism, therefore, is closely linked with the essence and duty of the transition period from capitalism to socialism and with the problem of its demarcation line.

Also important in the original theory on the complete victory of socialism propounded in the historic policy speech is a theory on the appearance of the completely victorious socialist society.

The completely victorious socialist society is not merely a society where a socialist system is established but a classless society, a society where all its members, as equal masters of the state and society, are provided with complete socio-political equality and decent material and cultural lives and lead an independent and creative life.

It is a society which, from the point of view of social progress, coincides with the end of the period of transition from capitalism to socialism, and in which the lower stage of communism becomes a complete reality and gradual transition to the higher stage of communism gets under way.

Thanks to this exposition, the revolutionary theory of the working class on the course of social progress towards socialism and the two stages of communism which had been expounded in outline has become a perfect theory which has been proved in depth scientifically.

The theory on the basic problem in achieving the complete victory of socialism and the ways for its solution is also of weighty significance in the original theory on the complete victory of socialism expounded in the historic policy speech.

The great leader is the first in history to originally expound that it is the fundamental question in winning the complete victory of socialism to transform people and social relations on the pattern of the working class so as to eliminate the class differences and establish a classless society. This has provided the key to the successful building of the complete socialist society.

What holds an important place in the original theory on the complete victory of socialism clarified in the historic policy speech is also a theory on the appearance of the material and technical foundations which are commensurate with the complete socialist society and the fundamental ways of economic construction for their realization.

The great leader indicated that the goal we must attain in the sphere of economic construction for the complete victory of socialism is to build a chuche-oriented national economy which is highly modernized in all its branches and perfect in its structure.

What is important in the original theory clarified in the policy speech is also a theory on strengthening the people's government and thoroughly carrying out the three-revolutions, ideological, technical and cultural.

The proposition clarified in the policy speech that the people's government and the three revolutions is, in essence, the banner of chajusong, the banner of socialism and communism, is a most revolutionary idea which thoroughly applies the class principles and the idea of the uninterrupted revolution of the working class on the road towards communism.

15 DEC NODONG SINMUN LAUDS TAEAN WORK SYSTEM

SK190053 Pyongyang Domestic Service in Korean 2123 GMT 15 Dec 86

[NODONG SINMUN 16 December editorial: "Let Us Give Full Play to the Superiority of the Taean System"]

[Text] It has been 25 years since the respected and beloved leader Comrade Kim Il-song gave on-the-spot guidance to the Taean electrical machinery plant and created the great Taean work system. Today, we significantly mark the 25th anniversary of the creation of the Taean work system amid rewarding circumstances in which we are effecting new upsurges in all fields of socialist economic construction, upholding the party's militant slogan calling for powerfully accelerating the march of the eighties in the style of the construction of the Sohae lockgate. At present, the party members and workers throughout the country are looking back with deep emotion upon the immortal achievements attained by the great leader Comrade Kim Il-song in the course of creating and firmly establishing the Taean work system and are consolidating their resolve to continue to thoroughly implement it.

How the party of the working class enhances the function and role of the state economic organs and how it improves and consummates its guidance of the national economy after it has taken power and has embarked upon the road of building a new society are one of the epochal questions deciding the success of socialist and communist construction. This is because whether or not the intrinsic superiority of the socialist system is fully displayed and whether or not the large-scale socialist economy is constantly developed at a high speed are decided by how this question is solved.

The great leader Comrade Kim Il-song created the Taean work system -- a completely new and original industrial management system -- by brilliantly embodying the immortal chuche idea in the field of economic management through his deep insight into new circumstances, in which the socialist-type remodeling of production relations had been completed and the work of technologically improving the overall national economy had been promoted, and into the inevitable demands of socialist and communist construction. This was the shining birth of a new communist-type enterprise management, basically different from the old factory management system of the past, and a brilliant embodiment of the Chongsanri spirit and the Chongsanri method in guiding and managing the socialist economy.

The Taean work system is the most superior economic management system of our own style and chuche-oriented economic management form which embody the great chuche idea and the mass line based on it. The chuche idea is based on the philosophical principle that man is the master of everything and decides everything, and it demands that every question be thought of with man at the center and solved on the basis of work with man. The Taean work system created by the great leader Comrade Kim Il-song thoroughly embodies the mass line based on the chuche idea in economic management. The embodiment of the mass line in economic management means solving all problems in economic management on the basis of the spontaneous zeal, creativity, ingenuity, collective strength, and wisdom of the producing masses by managing and operating the economy through viewing them as the masters of economic management and through taking work with man as fundamental. This is a revolutionary economic management system which makes it possible to vigorously push ahead with socialist economic construction by actively having the masses participate in production and economic management. Herein lies the intrinsic characteristic of socialist economic management, which takes work with man as fundamental, and its revolutionary nature.

The Taean work system is a very superior economic management system basically different from the past factory management system. This is fully confirmed by the practical experience over the past 25 years. As a result of the thorough implementation of the Taean system which excellently embodies the collective and communist-type principle of life -- one for all and all of one -- the collective nature and the party's guidance of economic management have been strengthened in managing and operating plants and the attitude worthy of masters -- the attitude of taking responsibility for production -- has been enhanced among the functionaries and workers.

As a result of the enhancement of the role of plant party committees -- a collective guidance organ -- methods and ways to implement the party's economic policy have been able to be mapped out assiduously and all economic problems have been able to be solved in conformity with the demands of the party and the interests of the working class. Also, the technological guidance of production has been strengthened as a result of the establishment of a unified and concentrated production guidance system and the organization of plant staffs led by chief engineers. Thus, planning work, production guidance, and technological guidance have been organically combined in large-scale modern socialist production and comprehensive guidance has been given to production, and, as a result, production has been able to be accelerated at a very high speed on high-level scientific basis.

Thanks to the thorough establishment and implementation of the Taean system, the ethos in which upper units responsibly help lower units has been firmly set up and the role of offices serving production has been increased. As a result, all work, including the work of ensuring the supply of materials, has been subordinated to the struggle to guarantee production.

Indeed, the remarkable changes and great victories in our country's socialist economic management and construction over the past 25 years cannot be conceivable apart from the might of the Taean system. In particular, our party's wise leadership serves as a basic guarantee for thoroughly establishing the Taean system and making it display greater vitality with each passing day. Thanks to the better establishment of the Taean system under the party's leadership, our country's socialist economy was able to carry out the historic cause of industrialization in a short period of 14 years and has advanced further, and has been able to enter a very high stage of the chuche-orientation, modernization, and science-orientation of the people's economy. Life has clearly shown that managing and operating plants in conformity with the intrinsic nature of socialism and communism and smoothly solving the problem regarding the overall economic management lie only in adhering to and thoroughly implementing the Taean system created by the great leader Comrade Kim Il-song.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: The state economic organs should adhere to the Taean work system and constantly improve economic management, thus guaranteeing the planned and balanced development of the people's economy and a high speed of production growth.

Today, we are assigned the heavy task of further expediting the complete victory of socialism by realizing the grand program for economic construction set forth by the sixth party congress. At present, the zeal of our people, who are powerfully accelerating the march of the eighties in accordance with the grand program unfolded by the party and the leader, is very high, and new renovation is being affected every day in all fields of socialist economic construction. If our functionaries continue to firmly adhere to the Taean system and give full play to its superiority under this condition, greater upsurges can be enacted in production and construction and all economic tasks assigned by the party can be successfully carried out.

It is, above all, important for functionaries to firmly grasp the intrinsic nature of the Tae'an system and thoroughly embody its demands in order to give full play to the superiority of the system. The Tae'an work system is, in a word, a communist-type economic management system. For this reason, this system is a constant work system which should be thoroughly adhered to and implemented in building, managing, and operating the economy not only today but also in the future. The functionaries should perfectly acquaint themselves with all questions arising in managing and operating the economy as demanded by the Tae'an work system and skillfully handle the assigned economic tasks with a vigorous fighting spirit, mettle, and passion.

Our party presents an important demand that a complex be correctly managed and operated in order to highly demonstrate the superiority of the Tae'an work system. By reasonably organizing a complex and by establishing the collective guidance system with a complex as its basis, our party paved the way for better realizing revolutionary principles and methods materialized in the Tae'an system in conformity with the demand of the developing reality.

Organizing various types of complexes and establishing the economic guidance system with complexes as its basis is the most reasonable economic guidance and management system that meets the practical requirements of our country's socialist economic construction.

Experiences for the past 1 year clearly show the justness and superiority of our party's measure of widely organizing complexes. Practical experiences show that a guarantee for scoring new upsurges in economic construction by correctly combining centralisation and democracy in socialist economic management and by making the functionaries demonstrate their high responsibility and creativity in materializing the party's economic policy lies in correctly managing and operating complexes according to the demand of the Tae'an system. Guiding functionaries must normalize production on a higher level in all sectors of the people's economy, must speed up socialist economic construction, and must epocally improve the people's livelihood by correctly managing and operating a complex in conformity with the intention of the party.

Guaranteeing the collective guidance of a party committee is an important condition for correctly managing and operating a complex according to the demand of the Tae'an system. Guaranteeing the collective guidance of a party committee is the core element of the Tae'an system and is a basic requirement that must be met in managing and operating a complex.

The highest guidance organization of a complex is its party committee. The party committee of a complex collectively discusses and decides upon all new questions posed in the complex and according to their assignments; administrative and managerial functionaries, including the manager, conduct economic work; and party functionaries, including the responsible secretary, conduct party work. The party committee of a complex realizes collective guidance by controlling its lower units in a unified manner. Under the collective guidance of the party committee, all managerial activities of the complex are conducted.

The party's guidance over economic work must be further strengthened by heightening the role of the party committee of a complex. The party committee, in particular, must collectively discuss all important questions posed for each relevant sector according to the party policies, must decide upon how to carry out the work, must correctly organize work assignments, and must organize and mobilize the masses in a party-oriented and political fashion in carrying out revolutionary tasks. It must also have revolutionary tasks correctly carried out by always understanding, controlling, and supporting the organization of work assignments.

Unified and detailed planning is a policy that our party has presented to systematically develop the economy of the country and is an important demand that must be thoroughly met in the management and operation of a complex. By widely conducting discussions with the masses under a unified stage guidance, a complex must map out realistic, dynamic, and scientific plans according to the party policies and the demand of socialist economic principles.

The independent accounting system is a method to systematically manage and operate socialist state enterprises and is one of the important principles that must be abided by in socialist economic guidance and management. A complex has come to possess much authority as an independent production and management unit. It has also come to responsibly organize and conduct overall production and management activities according to state planning. This has clearly defined to which unit the independent accounting system will be applied, and has paved the way for the regular guarantee of material, carrying out of cooperative production, and organization of transportation.

By correctly putting the independent accounting system into practice according to the demand of the Taean system, thereby more reasonably conducting management and mobilizing internal reserves to the utmost, a complex must overfulfill plans mapped out by the country and must give the country more profits after paying for necessary expenses.

Carrying out well the work of guaranteeing material is an important economic organizational work for normalizing production and for endlessly increasing production. All complexes must responsibly and creatively carry out the work of guaranteeing material by fully exerting the right given to them, thereby normalizing production on a higher level. They must correctly carry out the work of signing contracts in order to do so. A complex must map out plans with the principle of resolving, by itself as much as possible, the supply of resources, material, and equipment. According to this principle, it must have enterprises under it directly exchange resources, material, and equipment among themselves. It must sign contracts for the supply of material, the supply of which cannot be resolved by itself, with other complexes. According to these contracts, it must responsibly guarantee material.

Improving the level of economic management and operation by the functionaries is one of the important factors that guarantees endless upsurges in economic construction by more thoroughly materializing the Taean system. When the functionaries possess ability and knowledge with which they can skillfully organize and guide the economy according to the demand of the Taean system, they can fulfill their role as the guiding forces of production and construction in materializing the Taean system. The functionaries must correctly understand the fundamental aspects of the Taean system and requirements and principles for managing and operating a complex by profoundly studying the idea of the great leader Comrade Kim Il-song on economic management and the party's economic policies. They must also be acquainted with scientific and technological knowledge in their specialized sectors and with concrete methods for management and operation, including a method for mobilizing the masses to carry out the economic task and a method for scientifically calculating and efficiently mobilizing and utilizing labor, equipment, material, and other factors necessary for production. In addition, the functionaries must always work after going among the masses and must learn from, teach, and lead them.

Let us, all functionaries, score new upsurges in socialist economic construction by firmly adhering to the Taean system in economic guidance and management and by thoroughly materializing the system in conformity with the demand for the development of realities.

CHON'S WORDS ON CONSTITUTIONAL REVISION ASSAILED

SK090910 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 7 Jan 87

[Station commentary]

[Text] In this hour of station commentary I will talk about the Chon Tu-hwan group's babbling about revision of the Constitution based on dialogue and agreement between the ruling and opposition parties.

On 5 January, chairman of the DJP No Tae-u visited former President Yun Po-son and former Primer Minister Ho Chong and begged for assistance from the veteran politicians so as to achieve constitutional revision based on an agreement between the ruling and opposition parties, which can be achieved through dialogue and compromise.

Meeting with reporters the same day, No Tae-u hinted at the possible, unilateral extension of the period of negotiations with the opposition party for constitutional revision, babbling that the laying of foundation and preparing for the revision of the Constitution should be complemented before the end of March.

Such deeds by the Chon Tu-hwan group cannot but be utterly preposterous. As you may know, under circumstances prevailing in South Korea in which Chon Tu-hwan's fascist swords are being wielded indiscreetly and the dictators, the DJP coterie, take the stage for themselves, dialogue and compromise between the ruling and opposition parties are totally beyond the imagination and constitutional revision based on an agreement is preposterous.

Opposition party, off-stage democratic forces, and people of all walks of life now call unanimously for the abolition of the fascist constitution and adoption of a democratic one. Even the NKDP demands that its 7-point conditions, including the guarantee of freedom of press and people's basic rights, the restoration of the civil and democratic rights of the democratic personages and prisoners of conscience, be met before discussing the revision of the Constitution based on an agreement as babbled by the Chon Tu-hwan group.

The NKDP's 7-point prerequisite conditions, the most rudimentary demands of the people, are the pressing issues that should have been achieved and should still be achieved even today for democratization.

Nevertheless, (?Chon Tu-hwan) and No Tae-u babbled about dialogue and compromise instead of showing willingness to promote democratization right from this moment, while babbling about such issues as forming a negotiation institution.

If the Chon Tu-hwan group is willing to achieve constitutional revision based on an agreement through dialogue and compromise between the ruling and opposition parties just as it babbles it would, there is no reason why such a pressing issue cannot be realized right away.

The Chon Tu-hwan group has no intention to realize democratization in South Korea. It is utterly preposterous that the Chon Tu-hwan group, which frustrated an opposition party's mass rally last year in a most barbarous manner by mobilizing nearly 100,000 policemen, regarded the floor remarks by an opposition lawmaker who has the privilege of exemption from liability for his own speech in the National Assembly as a crime to the point of imprisoning him on (?preposterous) charges, and not only arrested approximately 1,500 students who staged a sit-in at Konguk University calling for reunification, but is also suppressing them in prisons.

How can there be any kind of compromise between the pro-U.S. Chon Tu-hwan dictatorial group which is bent on keeping a U.S. colonial dictatorial rule functioning and the democratic, patriotic forces hoping for independence, democracy, and reunification? No such thing should be allowed to take place.

The goal that the Chon Tu-hwan group is seeking behind the slogan of constitutional revision based on an agreement is to prevent the opposition party's street struggle by inducing it to come within the framework of the National Assembly, to wean the opposition away from the anti-U.S. antidictatorial struggle ranks of the masses of all walks of life, to prevent the anti-U.S. and antidictatorial struggle which is expanding and developing throughout the entire South Korea by causing the opposition and the masses of all walks of life to disintegrate, and finally to bring the crisis facing the regime under control. Another goal that the Chon Tu-hwan group has in mind is to realize the revision of the Constitution in favor of the parliamentary cabinet system to guarantee its prolonged stay in power longer.

We should not forget that behind the idea of achieving the revision of the Constitution based on an agreement through dialogue and compromise between the rival parties, as touted by the Chon Tu-hwan group, lurks the United States. The United States forcibly demands that the rival parties in South Korea reach compromise in order to divide and undermine the anti-U.S. and antidictatorial and democratic forces and to maintain its colonial ruling system in South Korea.

If the opposition party and the off-stage democratic forces are hoodwinked by the wily tactics of the United States and the Chon Tu-hwan group into abandoning the pan-national anti-U.S. and antidictatorial struggle and into sitting before the table of constitutional revision based on an agreement, it will only amount to guaranteeing the Chon Tu-hwan group with dictatorial rule and prolonged stay in power and our people's struggle for independence, democracy, and reunification will go through more arduous and treacherous trials.

Patriotic forces hoping for independence, democracy, and reunification should never reach compromise with Chon Tu-hwan's DJP coterie.

The NKDP and the off-stage democratic forces should struggle by clearly remembering that the only way for the realization of independence, democratic and civil rights, and reunification lies not in dialogue and compromise with the Chon Tu-hwan group, but in the anti-U.S. and antidictatorial struggle staged in unity with our people.

DJP MAY MODIFY REVISION DRAFT ON BASIC RIGHTS

SK090109 Seoul THE KOREA TIMES in English 9 Jan 87 p 2

[Text] The ruling Democratic Justice Party is considering modifying its already proposed draft amendment to the Constitution with regard to the basic rights of the people and power structure within the framework of the parliamentary cabinet system.

The DJP resolved in a general session of the party constitution committee yesterday to positively promote full-scale negotiations in the special House committee on constitutional amendment on the democratization measures proposed by Yi Min-u.

The ruling party also discussed setting up an organ to work for the revision of the Parliamentary Election Law, the Government Administration Law, the National Assembly Law and the Political Party Law required for the projected introduction of the parliamentary cabinet system.

Rep. Chae Mun-sik, chairman of the party special constitutional committee, told the session that the parliamentary cabinet system has been winning wide-ranging support from the people.

He said that there are calls for partial modification of several clauses of the draft amendment.

Several members of the special party panel stressed the necessity to modify the draft amendment right now to show the people the ruling party's sincerity to realize the "pure" parliamentary cabinet system.

But Rep. Yi Chi-ho, one of the DJP theorists on the constitution, said that now is not the proper time to start such revision work "because it would give an impression that the DJP will unilaterally act upon the amendment soon."

Rep. Yi said that the DJP would have to wait and see how the recent internal dispute in the New Korea Democratic Party [NDP] over its president's proposal of democratization measures would be developed.

He went on, "It is a great change of party position for NDP president Yi Min-u to have aired an intention to positively consider the parliamentary cabinet system, though. he made several reservations."

He then reiterated that the DJP would negotiate the opposition-demanded seven condition including the restoration and political reinstatement of Kim Tae-ching and other political detainees after the stalled House constitutional panel is resumed.

"The DJP is willing to reflect the opposition demands for the guarantee of basic rights of the people and the freedom of press in the projected new constitution through partisan negotiation," Yi said.

YI MIN-U REPEATS DESIRE FOR 7-POINT FORMULA

SK080637 Seoul YONHAP in English 0622 GMT 8 Jan 87

[Text] Seoul, Jan. 8 (YONHAP) -- Disagreement over a proposal for democratization made by Yi Min-u, president of the main opposition New Korea Democratic Party, could fracture the party and lead to another prolonged political stalemate, political sources said Thursday.

Earlier in the day, Yi repeated his intention to push ahead with his seven-point formula for democratization, rejecting the demands of two well-known dissident leaders, Kim Yong-sam and Kim Tae-chung, that he put their party's policy seeking a direct, popular election of the president above his proposal.

Yi made the proposal late last month, suggesting that his party would consider the ruling Democratic Justice Party's plan for creating a cabinet system of government in exchange for the adoption of his seven-point formula and the acceptance of other demands. Among those other demands were the political neutrality of public servants, the guarantee of constitutional rights and the granting of amnesty for political detainees.

In a meeting with reporters in the central resort city of Onyang, Yi said, "I have no intention to change (the opposition party's) struggle for both democratization and constitutional reform, ensuring the creation of a direct presidential election system." Yi went to Onyang on Wednesday to rest after issuing a statement saying that he would not lead the party unless his proposal is accepted.

Earlier Wednesday, Kim Yong-sam, permanent adviser to the main opposition party, and Kim Tae-chung, co-chariman of the council for the Promotion of Democracy, agreed to reject the so-called "Yi Min-u overture." The "two Kims" lead the two major factions of the opposition party. In their meeting, they repeated their position that the main opposition party will never, under any circumstances, back away from its long-standing effort to set up a direct presidential system through constitutional revision.

In response, Yi asserted that his proposal does not imply his acceptance of the cabinet system proposed by the ruling party or a change in the opposition party's basic position on the issue. "If the seven-point precondition for the democratization is fulfilled, the people's interest in what form of government to set up will decrease," he added.

Yi warned that full democracy cannot be achieved at one time and that his party will suffer a big setback if it insists on creating a presidential system featuring the creation of a direct presidential election system, abandoning dialogue and negotiations. "We should not pursue all or nothing in the struggle for constitutional reform," he said.

Yi Chun-ku, secretary general of the ruling party, said that Yi Min-u's action was in accordance with the wishes of the Korean people. The ruling party would be willing to negotiate Yi's proposal for democratization, which has the support of the people, he said.

Next Tuesday, the leaders of the three major political party are scheduled to meet to discuss Yi Min-u's seven point proposal and the controversial issue of constitutional revision. The meeting may not be held, however, due to frictions within the main opposition party.

In an effort to enhance Yi Min-u's position in opposition forces, the ruling party is working on a plan to present the government's concrete position on the seven-point proposal for democratization, political sources said. The sources did not rule out the possibility that the ruling camp will rewrite the constitution without the participation of the main opposition party if the latter breaks off dialogue.

NKDP Discord

SK071327 Seoul YONHAP in English 1256 GMT 7 Jan 87

[Text] Seoul, Jan. 7 (YONHAP) -- Yi Min-u, president of the main opposition New Korea Democratic Party, unilaterally cancelled the scheduled meeting with the two Kim's, prominent dissident leaders, which was to be held Wednesday afternoon. Yi reportedly left Seoul for an unknown place after issuing a statement, announced by the party spokesman Hong Sa-tok, that he could not lead the party unless his proposal, approved by the party caucus on Dec. 26 last year, was accepted. He pursues "democratization" and direct presidential elections at the same time. He was quoted as saying, "I need some rest," when he left his home after ordering the party spokesman to announce the cancellation. The opposition party is now expected to suffer from the conflict between rival factions in the party since January 1985 when the party was established in support of so-called two Kim's, Kim Yong-sam and Kim Tae-chung, who virtually have led the party so far.

On Dec. 24 last year, Yi disclosed his "conditional" willingness to discuss a parliamentary cabinet system, which is the ruling Democratic Justice Party's version for a constitutional revision, if the government carries out seven-point measures for democratic reforms including guarantee of the freedom of press and amnesty for political prisoners. The so-called Yi Min-u initiative got warm reaction from the ruling party, but has not been accepted by two Kim's, particularly by Kim Tae-chung who firmly sticks to a direct presidential election system for a constitutional amendment as "a unique hope of the opposition party to survive."

Earlier in the day, Kim Yong-sam, permanent advisor to the opposition party, and Kim Tae-chung, co-chariman of the Council for the Promotion of Democracy, met in a downtown hotel and agreed to reject the Yi Min-u initiative and to persuade the party president that direct presidential election system is the only way for achieving democratization in Korea. The opposition party sources said that the frictions in the main opposition party might frustrate the meeting of the representatives of the ruling party and the New Korea Democratic Party and the minor opposition Korea National Party, scheduled for Jan. 13. The leaders of the three parties were to discuss measures for normalizing the deadlocked negotiations for constitutional revision, focusing on the Yi Min-u initiative which has been welcomed by the ruling and the minor opposition party, as well as by some members of the New Korea Democratic Party.

The ruling Democratic Justice Party and the New Korea Democratic Party have been in serious conflicts since early 1986 when the vocal opposition party started a formal campaign for constitutional changes to provide for direct elections of the president. The ruling party has proposed a parliamentary form of government under a strong prime minister and a largely figurehead president, while the opposition party remained adamant in its demand for a direct presidential election system. President Chon Tu-hwan's term is to expire in February next year, and he has reportedly said he would step down with the ending of his presidential term to achieve the country's first ever peaceful transfer of power.

Kim Yong-sam Interview

SK080047 Seoul THE KOREA TIMES in English 8 Jan 87 p 2

[From the "Press Pocket" column]

[Text] "I have nothing to say at this moment," said Kim Tae-chung upon leaving Seoulin Hotel yesterday morning when he was asked of what he had discussed with Kim Yong-sam.

The other Kim stayed at the hotel for a while and entertained reporters' question which went as follows:

Question: Is it correct to understand that the "Yi Min-u idea" is a prelude to the NDP's parliamentary cabinet system?

Answer: The NDP should avoid doing anything that arouses suspicion among the people. As I affirmed on New Year's Day, "chiksonje (direct presidential election)" has been the root of the NDP since its birth.

Q: Is it absolutely impossible for the NDP to shift its position from chiksonje?

A: We started the signature collecting campaign last Feb. 12 only to promote the direct presidential election and we have clearly maintained chiksonje as our party line in our rallies ever since. We have demanded chiksonje because it is the surest way to achieve democratization.

Q: A senior officers' meeting at the end of last year declared that the NDP would simultaneously pursue chiksonje and the democratization struggle...

A: Chiksonje and democratization are two words having the same meaning.

Q: Don't you believe that the present dominant mood in the political circles is in favor of compromise on the basis of the Yi Min-u idea?

A: It is a gross mistake for the NDP to give an impression that it is ready to accept the parliamentary cabinet system at this moment. If it accepts that system, its existence itself will be in question.

Q: The DJP is ready to negotiate on the seven-point offer of Yi Min-u...

A: It is a ridiculous gesture. We have to deal with the people rather than politicking with the DJP.

After the morning meeting of the two Kims at the hotel, a follower of Kim Tae-chung asserted that Yi Min-u's plan has become a "stray balloon" now that the two leaders clarified their opposition to it. He predicted that the move to dislodge Yi Min-u as the party president would now be intensified and the Kim Tae-chung faction would turn to supporting it.

Yi Min-u made some elaboration on his idea for reporters at his party office yesterday morning.

"I didn't offer the seven-point democratization package in exchange for the acceptance of the parliamentary cabinet system. I didn't mean that we would accept "naegakche" if the ruling camp carried out all seven items in my offer," he said.

He went on that once the DJP and the government realize the seven democratization measures, they would become confident of their standing among the electorate and would then accept the NDP demand for a national referendum to decide on the form of the next government to be introduced into the new constitution.

Yi said that everyone should keep in mind the fact that people are "getting tired of watching the fierce confrontation."

Yi To Meet With the 'Two Kims'

SK090101 Seoul THE KOREA HERALD in English 9 Jan 87 p 1

[Text] Moves are underway in the opposition New Korea Democratic Party to patch up the controversy triggered Wednesday over party president Yi Min-u's seven-point democratization formula.

Yi, who is scheduled to return to Seoul today, ending his two-day retreat in Onyang, Chungchongnam-do, said yesterday that he plans to meet Kim Tae-chung and Kim Yong-sam over the weekend to resolve the dispute.

The NKDP president said that it would be better to clear up any misunderstandings among them as early as possible.

The two Kims termed the flap as an "unhappy incident" that resulted from misunderstandings in the course of indirect communication and promised to make efforts for a speedy resolution.

NKDP sources said that the three opposition leaders could manage to work out a solution to the issue if they got together and removed sources of misunderstanding over the controversial seven-point democratization plan.

Political observers, however, said that the side effects of the incident will probably last for a long time because party president Yi has repeatedly made it clear that he will not back off from his democratization scheme.

The observers said that the flap over the democratization formula, if continued, would darken prospects for interparty negotiations over constitutional revision.

Despite the two major factions' brisk efforts to settle the incident, eight nonmainstream party lawmakers have formed a coalition and vowed to fight against the two Kim's "excessive" intervention in party affairs.

The coalition said that it will try to drum up more followers to pursue "democratization," which they termed the party's paramount goal.

Agreeing on a negotiated settlement of the controversy over democratization, the two Kims, who actually control the NKDP by leading the two major factions, started separate efforts to resolve the "unhappy" incident.

The two de facto party leaders emphasized that the incident stemmed from misunderstandings.

Kim Yong-sam, party adviser, and his immediate followers huddle in the morning to discuss ways of obtaining a smooth settlement of the incident.

Party vice-president Yi Ki-taek, floor leader Kim Hyon-kyu and spokesman Hong Sa-tok said they believe the issue can be resolved if party president Yi and party adviser Kim meet and talk about it.

Kim Tae-chung, who leads on of the two major factions, said efforts should be exerted to solve the issue without delay.

Political observers said it will take time for the party leader and the two Kims to iron out differences over the controversial democratization formula.

The observers pointed out that Kim Tae-chung said there are some blemishes in the formula, which was recently proposed by the opposition party leaders.

NKDP president Yi said he is considering meeting with the two Kims today or tomorrow.

Political sources said the mood for interparty dialogue for constitutional reform will suffer a setback whatever the result of the meeting of the three opposition troika. The sources said the three party leaders' meeting scheduled for Tuesday will most probably be delayed for some time.

The ruling Democratic Justice Party plans to link negotiations over the democratization formula with negotiations for constitutional revision favoring the cabinet system.

NKDP president Yi, however, repeatedly made it clear that he will pursue democratization without backing off from the party's long-standing demand for direct presidential elections.

He also said only two points of the seven preconditions for democratization -- elections laws and implementation of local autonomy -- are objects of interparty negotiation.

Meanwhile, the two Kims agreed Wednesday that the opposition party cannot and should not struggle for democratization and direct presidential elections at the same time because it may give an impression that it is willing to accept the ruling DJP's proposal for the cabinet system in return for democratization.

Newspapers reported that the two Kims demanded the scrapping of the so-called seven-point democratization formula.

Group Forms To Counter Kims

SK090105 Seoul THE KOREA TIMES in English 9 Jan 87 p 2

[Text] Non-mainstreamers of the main opposition New Korea Democratic Party [NDP] yesterday formed a coalition group in an official move to counter the "intervention in party affairs of Kim Tae-chung and Kim Yong-sam."

The creation of the new intra-party faction was initiated by eight leading party members in a meeting held at a downtown hotel against the background of a growing internal rift in the party, caused by the confrontation between party president Yi Min-u and the two Kims.

The eight include Yi Chol-sung, Sin To-hwan, Kim Chai-kwang, Cho Yun-ha, former vice speaker of the National Assembly and Yi Taek-ton.

In the meeting, Yi Chol-sung, a lawmaker of seven terms and once an opposition party president said, "An incident unprecedented in the history of the opposition party has taken place. The party president has been humiliated personally and he abandoned his duty as a result of reckless intervention in party operation by the two Kims."

He said that the non-mainstreamers would fully support Yi's idea to negotiate for democratic reforms first prior to the negotiations over the ruling camp's amendment formula in favor of the parliamentary cabinet system. "We cannot change our horse while crossing the river."

The new factional group named Yi Taek-ton spokesman.

The spokesman said, "We will get together Saturday to discuss ways of increasing the strength of our group as well as the opening of an office."

He claimed that more than a half of the total of 90 NDP lawmakers would act in concert with the instigators of the coalition.

He said, "We confirmed that the democratic reforms demanded by party head Yi in his overtures to the DJP are our party's ultimate goals."

"The two Kims must stop meddling in party affairs and assume responsibility for the serious situation the party is now faced with today," he said.

The non-mainstreamers also urged party president Yi "to take the lead in tiding over the difficult situation with confidence and courage," according to the spokesman.

EAST GERMAN VOLLEYBALL OFFICIAL ARRIVES IN ROK

SK090321 Seoul YONHAP in English 0300 GMT 9 Jan 87

[All names as received]

[Text] Seoul, Jan. 9 (YONHAP) -- Peter Lange, an East German volleyball official, came here Thursday to attend the conference of the Federation Internationale de Volleyball's sports organizing commission. The meeting is scheduled for Jan. 9-10. Lange, secretary of the commission, is the third person from a communist nation to attend international volleyball conferences in Seoul.

Commission President Yuriy Tchesnokov of the Soviet Union and Jia Xiang Qian of China, chairman of the confederation are now in Seoul for the conference.

CUBAN RADIO INTERVIEWS BATMONH ON WORLD AFFAIRS

OWO30543 Ulaanbaatar MONTSAME in Russian 1502 GMT 30 Dec 86

[Text] Ulaanbaatar, 30 Dec (MONTSAME) -- The answers of Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, to the questions of a Cuban radio correspondent have been published in the press here. They deal in detail with the MPR proposal to conclude a convention on nonaggression and nonuse of force in relations among the states of Asia and the Pacific Ocean and the convocation of an international conference to discuss this issue. Jambyn Batmonh stressed that the main goal of the Mongolian initiative is to create paths and mechanisms for the general observance of the principle of mutual respect for independence and sovereignty in relations among the states of the region. In proposing this initiative, said J. Batmonh, we have proceeded from the fact that the forces of imperialism and militarism are attempting to turn this broad Asia-Pacific region into a second -- after Europe -- bridgehead of military, strategic confrontation and are intensifying the international situation here.

By their goals and contents, our proposals are in full harmony with the proposals and initiatives of the Soviet Union and other peace-loving countries, aimed at improving the situation in the Asian-Pacific region. We fully support the proposal formulated by Comrade M.S. Gorbachev in Vladivostok, the new initiatives on ensuring security in the region and strengthening cooperation; they are the material basis for these proposals, said the Mongolian leader in the interview with the Cuban radio.

Jambyn Batmonh emphasized that under present conditions when the role of the Asian-Pacific region in the destinies of our very contradictory but interdependent and indivisible world is growing, prohibition of the use of force or the threat to use force in relations among the states here would also be of fundamental significance to other regions.

After stressing that the main causes of the explosive situation in Central America are the policy of state terrorism and neglobalism of the U.S. Administration against the peoples of the region and the "undeclared war" against the Republic of Nicaragua, Jambyn Batmonh expressed confidence that the Nicaraguan people, under the leadership of the Sandinista National Liberation Front, will win new victories in their heroic struggle and selfless labor in defense of independence and territorial integrity of their country and in defense of their revolutionary gains.

J. Batmonh, touching on the totally alien policy of apartheid, called it a dark blotch in the history of the 20th century. He resolutely condemned the rulers of Pretoria who have elevated racism to the level of state policy and who are trampling on the elementary human rights of the country's indigenous people.

The Mongolian leader emphasized that the time has come to take effective and concrete measures aimed at putting an end to the policy of apartheid in South Africa and to support the just struggle of the opposed peoples of South Africa.

J. Batmonh wished the Cuban Communist Party, government and fraternal people a happy New Year. From the bottom of our heart, we are glad that on the "island of freedom" in the Western Hemisphere, a new socialist life prospers serving as a model for other peoples, said the Mongolian leader.

BATMONH GREETES PEOPLE ON NEW YEAR'S DAY

OWO20353 Ulaanbaatar MONTSAME in Russian 1433 GMT 1 Jan 87

[From the 1 January Press Review]

[Text] Ulaanbaatar, 1 Jan (MONTSAME) -- The first UNEN issue of the new year front-pages the greeting addressed to the Mongolian people by Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, and broadcast by radio and television. The Mongolian leader called the 70th anniversary of the Great October Socialist Revolution the main event of the coming year.

NOVOSTI MONGILII REVIEWS EVENTS OF 1986

OWO60223 Ulaanbaatar MONTSAME in Russian 1449 GMT 3 Jan 87

[Text] Ulaanbaatar, 3 Jan (MONTSAME) -- The Mongolians often called 1986 "The Year of the Congress", having in mind the 19th MPRP Congress, which was held in May. It really was the main event of the year for the MPR. It is precisely at the party congresses that the basic course of the country's internal and foreign policies, and its development prospects, are determined, NOVOSTI MONGOLII writes.

On the whole, 1986 was a successful year for the Mongolian economy. According to preliminary data, it is expected that plans for production (national product and income) and growth of labor productivity will be fulfilled. In animal husbandry, which has been, and remains, the most problematic branch of the economy, significant positive changes took place last year. For example, the country raised 500,000 more head of young livestock in 1986 than in the previous year. Plans for grain and potato harvesting and fodder procurement were overfulfilled in 1986. Programs set for nonproduction branches are being successfully implemented, the newspaper notes. The year 1986 was made significant by the fact that it was the 65th year since the legendary year 1921, when the history of People's Mongolia began. The first constituent MPRP Congress was held 65 years ago, on 1 March 1921, and the first MPRP program was adopted at this congress. The news of the victory of the people's revolution in Mongolia flew around the world 65 years ago, on 11 July 1921. The agreement on establishing friendly relations between People's Mongolia and Soviet Russia was signed 65 years ago, on 5 November 1921. That is why in Mongolia 1986 was called "The Year of 65th Anniversaries."

The 25th anniversary of MPR membership in the United Nations took place last year. Since then, Mongolia has become one of the most active members of the world community. It is enough to say that the MPR proposed the initiative that an annual international week for promoting disarmament goals be held, and that a declaration on the right of peoples to peace be adopted.

The past year was International Peace Year, and the MPR made its contribution to the struggle for the basic UN principle: "To deliver forthcoming generations from the calamities of war." Mongolia sees the aim of its activities in the United Nations in particular, and in the international arena as a whole, to lie in promoting, in every way possible, the efforts of socialist countries and other peace-loving states, directed at improving the world situation, strengthening the peace and security of peoples, and delivering mankind from the threat of nuclear war, emphasizes the newspaper.

FRIENDSHIP, COOPERATION ACCORD WITH DPRK SIGNED

OW292328 Ulaanbaatar MONTSAME in Russian 1444 GMT 26 Dec 86

[From the 26 December Press Review]

[Text] Ulaanbaatar, 26 December (MONTSAME) -- It has been reported that ratification documents and notes on the ratification of the friendship and cooperation agreement between the MPR and the DPRK have been exchanged. These were signed by J. Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium and Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, during an official friendly visit to the DPRK by an MPR party and state delegation.

BATMONH SENDS CONGRATULATIONS TO KIM IL-SONG

OW310605 Ulaanbaatar MONTSAME in Russian 1528 GMT 30 Dec 86

[Text] Ulaanbaatar, 30 December (MONTSAME) -- Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, has sent a congratulatory telegram to Kim Il-song, general secretary of the WPK Central Committee and [words indistinct], in connection with his reelection to the high post of president of the DPRK.

I note with deep satisfaction that, as a result of the recent visit to the DPRK of an MPR party and state delegation, a wonderful perspective for further widening and developing fraternal friendship between our parties, countries, and people has opened up, based on the principles of Marxism-Leninism and socialist internationalism, notes that telegram.

BATMONH SENDS CONGRATULATORY TELEGRAM TO CASTRO

OW310625 Ulaanbaatar MONTSAME in Russian 1521 GMT 30 Dec 86

[Text] Ulaanbaatar, 30 December (MONTSAME) -- Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, has sent a congratulatory telegram to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, president of the State Council and the Council of Ministers of the Republic of Cuba, in connection with his reelection as president of the Republic of Cuba State Council.

This high trust shown you by the National Assembly of the people's rule, is a clear expression of the deep respect of the Cuban people for your great services in the cause of freedom, democracy, social progress, and the building of a socialist society in the Republic of Cuba.

The telegram also expresses confidence that the fraternal [word indistinct] and cooperation between the MPRP and the Communist Party of Cuba, the MPR and the Republic of Cuba, and the Mongolian and Cuban peoples, based on the principles of Marxism - Leninism and proletarian internationalism, will continue to deepen in the spirit of the 1984 Friendship and Cooperation Agreement between the MPR and the Republic of Cuba.

CHAWALIT, THAI MILITARY DELEGATION ARRIVE 5 JAN

BK051436 Rangoon Domestic Service in Burmese 1330 GMT 5 Jan 87

[Text] General Chawalit Yongchaiyut, commander in chief of the Royal Thai Army, and a delegation arrived in Rangoon by air at 1530 today at the invitation of General Saw Maung, defense services chief of staff of the Socialist Republic of the Union of Burma.

Gen Chawalit and his delegation were welcomed at Rangoon Airport by Gen Saw Maung, deputy defense minister and defense services chief of staff; Major General Than Shwe, Army vice chief of staff; Rear Admiral Maung Maung Khin, naval vice chief of staff; Major General Tin Tun, air vice chief of staff; Major General Pe Myaing, adjutant general; high-ranking military officials; Thai military attache to Burma and staff members of the Thai Embassy; and responsible officials.

The commander in chief of the Royal Thai Army and the defense services chief of staff were given a salute by the honor guard. They later inspected the guards before leaving for the State Guesthouse by motorcade.

Gen Chawalit Yongchaiyut was accompanied by Lieutenant General Suchinda Khraprayun, deputy chief of staff of army; Lieutenant General Chaichana Tharichat, commander of the 3d Army Region; Major General Thawon Rattanawadi, director of Army intelligence; Major General Oraphan Watthanawibun, divisional commander of the 2d Special Division; Major General Chaiwut Sinat, commander of the 4th Infantry Division; and Major General Chabun Prasot, personal aide to the Army commander in chief.

At 1630, the visiting Thai Army commander in chief and members of his delegation called on Thura U Kyaw Htin, deputy prime minister and defense minister, at Dagon Hall. Also present at the meeting were Gen Saw Maung, deputy defense minister and defense services chief of staff, and vice chiefs of staff.

At 1900, Gen Saw Maung held a banquet for the visiting Thai Army commander in chief and his delegation. It was also attended by the vice chiefs of staff and high-ranking military officials.

San Yu Receives Chawalit

BK060724 Rangoon Domestic Service in Burmese 0630 GMT 6 Jan 87

[Text] U San Yu, president and State Council chairman of the Socialist Republic of the Union of Burma, received General Chawalit Yongchaiyut, commander in chief of the Royal Thai Army, at the Credentials Hall of the People's Assembly Building at 0900 today.

Also present at the meeting together with President U San Yu were U Aye Ko, vice president and State Council vice chairman; U Sein Lwin, State Council secretary; U Maung Maung Kha, prime minister; Thura U Tun Tin, deputy prime minister and minister of planning and finance; Thura U Kyaw Htin, deputy prime minister and minister of defense; U Ye Gaung, minister of foreign affairs; General Saw Maung, defense services chief of staff; Major General Pe Myaing, adjutant general; Colonel Aung Myint Baw, director general of the President's Office; and U Aung Thant, director general of the Foreign Ministry's Protocol Department.

The Thai Army commander in chief was accompanied to the meeting by Lieutenant General Suchinda Khraprayun, deputy chief of staff of Army; Major General Thawon Rattanawadi, director of Army Intelligence; General Chabun Prasoet, personal aide to the Army commander in chief; and Colonel (Linda Charoen Wiklakan), military attache to the Thai Embassy in Burma.

Delegation Departs 8 Jan

BK081442 Rangoon Domestic Service in Burmese 1330 GMT 8 Jan 87

[Text] General Chawalit Yongchaiyut, commander in chief of the Royal Thai Army, and members of his delegation who had been visiting Burma at the invitation of General Saw Maung, defense services chief of staff of the Socialist Republic of the Union of Burma, left Rangoon by air at 1630 today.

The Thai Army commander in chief and party were seen off at Rangoon Airport by Gen Saw Maung, deputy defense minister and defense services chief of staff; Major General Than Shwe, Army vice chief of staff; Rear Admiral Maung Maung Khin, naval vice chief of staff; Major General Tin Tun, air vice chief of staff; Major General Pe Myaing, adjutant general; high-ranking defense services officials; and the Thai military attache and staff members of the Thai Embassy in Rangoon.

The Thai Army commander in chief and Gen Saw Maung arrived at Rangoon Airport by motorcade at 1620. They received a salute from the honor guard and later inspected the guards.

Gen Chawalit Yongchaiyut and his party later bid farewell to Gen Saw Maung and others before flying off from the airport.

THAI DELEGATION ARRIVES FOR BORDER TALKS

BK071555 Rangoon Domestic Service in Burmese 1330 GMT 7 Jan 87

[Text] A Thai delegation headed by Mr Praphat Limpaphan, deputy minister of the Thai Foreign Ministry, arrived in Rangoon by air this evening to attend the third meeting of the Joint Committee on Burma-Thai Border Demarcation in Mae Sai-Mae Hong Song area.

The Thai delegation was welcomed at Rangoon Airport by U Saw Hlaing, deputy minister of foreign affairs, and his wife; U Nyunt Swe, Burmese ambassador to Thailand; Mr Thongchan Chotikasathian, Thai ambassador to Burma; and responsible officials from the Foreign Ministry, the Land Survey Department, and the Thai Embassy.

The Thai deputy foreign minister was accompanied by his wife and officials from the Foreign Ministry, the Interior Ministry, the National Security Council, the Supreme Command, the Royal Thai Navy, the Hydrographic Department, and the Land Survey Department.

Delegation Meets Foreign Minister

BK081440 Rangoon Domestic Service in Burmese 1330 GMT 8 Jan 87

[Text] The visiting Thai delegation headed by Mr Praphat Limpaphan, deputy minister of the Thai Foreign Ministry, at 1130 today visited the Foreign Ministry annex and called on U Ye Gaung, minister of foreign affairs of the Socialist Republic of the Union of Burma.

Present at the meeting were U Saw Hlaing, deputy minister of foreign affairs; U Nyunt Swe, Burmese ambassador to Thailand; Mr Thongchan Chotikasathian, Thai ambassador to Burma; Daw Than Han, director general of the Foreign Ministry's International Organisations and Economic Department; U Aung Thant, director general of the Foreign Ministry's Protocol Department; U Ohn Kyaw, director general of the Political Department; and responsible officials.

BCP POLITICAL REPORT ON GOVERNMENT AGRARIAN LINE

BK220725 (Clandestine) Voice of the People of Burma in Burmese 1220 GMT 21 Dec 86

["Continuation of the Political Report of the Burma Communist Party Central Committee presented at the Third National Party Congress"]

[Text] Several agrarian laws were promulgated 3 years after the military government took power. A law amending the Tenancy Farming Law and abolishing tenancy farming was promulgated in 1965. Following this, it propagandized that landlordism no longer existed. In addition, the military government announced State Council Notification No 3/78 in 1978 claiming that any one who can farm can now work on farms; the Ministry of Agriculture and Forests' Order No 4/78 of 1978 which concerned projected crops that must be cultivated, prices offered for crops, and the amount of crops to be sold within a stipulated period; and the Supplementary Regulations issued in October 1983 on the sale of surplus paddy only within the township the paddy was produced.

All of these moves were aimed at destroying our party's revolutionary agrarian line, maintaining landlordism under different forms, and promoting exploitation under bureaucrat capitalism. The moves further impoverished farm laborers and poor peasants and only served the rich peasants and (?landlords).

In 1953, Thakin Tin, the then minister of agriculture and forests, in presenting a bill to nationalize farmland, said there were 75,495 landlords of which 33,942 resided at villages and the rest did not live in villages. There were more than 70,000 landlords who owned up to 100 acres, more than 3,500 landlords who owned between 100 and 200 acres, and over 750 landlords who owned between 200 and 300 acres, and over 440 landlords who owned between 300 and 400 acres, more than 470 landlords who owned more than 400 acres, and over 170 landlords with more than 500 acres.

At the peasants seminar held by the military government at Kyaikkasan grounds in 1966, Colonel Tin (Htwe), secretary of the Agriculture and Forests Department, said: According to 1962-63 figures, there are 340,000 landlords, which is not that many. These people can be differentiated into three groups. The first group consists of over 100,000 landlords who are noncitizens, who are not farmers and who do not reside in villages. The second group comprises over 100,000 landlords who are citizens but who do not farm and live outside villages. The last group is made up of over 100,000 landlords who are not farmers but who reside in villages. The number totals to only about 340,000 landlords. We do not have to consider the landlords who are noncitizens and who do not reside in villages.

We shall only have to deal with the question over 200,000 landlords who belong to our own race. There are many ways to deal with them; one way is to rashly nationalize all their land and permit the landless people to farm. However, there can be many problems if we adopt this approach. [Words indistinct] the landlords who do not reside in villages, whether they are citizens or noncitizens, cannot be accepted. For instance, our farmland committee will not accept a certain Maung Phyu who resides in Pegu but claims to supervise farmland in Kawa. All of us must understand this fact. We will also not permit a part-time landlord who visits his farm once a month and lets his men do the work most of the time. A farmer must reside at the place of his farm, his village, all the time. We accept such a person under existing laws and rules. After close scrutiny, whether we like it or not, persons who conform to existing laws and rules must be permitted to farm even if they are landlords or the rich. We must understand thoroughly that we oppose the system not individuals. In opposing the system we must make sure that we are not opposing individuals. As stated earlier, we must take over the farmland which does not fall within our framework of rules, and it is our belief that the question of eradicating landlordism will certainly be successful. -- from pages 480 and 482, the records of the peasants seminar at Kyaikkasan grounds, Rangoon, 1966.

An article in a journal on party affairs of the Burma Socialist Program Party [BSPP] in 1964 also stated: The majority of farmland is owned by the (?rich) national landlords. They are not interested in bearing the cost of reclaiming and cultivating on fallow land. They are only interested in extending high-interest loans to the tenant farmers who work on their land, and to make the most profit by buying the crops produced by, and selling needy goods to, the farmers. -- from page (?26), issue No 1, ECONOMIC AFFAIRS OF THE BSPP, Party Organizing Central Committee Headquarters.

Status Of Peasantry Viewed

BK281311 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT 28 Dec 86

["Continuation of the Political Report of the Burma Communist Party Central Committee presented at the Third National Party Congress"]

[Text] The law abolishing tenancy farming, promulgated with much propaganda and fanfare by the military government, (?came into force) in September 1966. However, in practical terms, the law simply meant that tenancy farming should not be done openly but only in secret or discreetly. Following this, the military government stopped making claims about landlordism or issuing facts about it and merely slapped a news blackout on the subject to pretend as if landlordism no longer existed. Such is an old tactic commonly practised in major imperialist countries. Since the military government has not yet abolished landlordism, it can be said that, at the very least, the system continues to exist.

The military government's reports on the financial, economic, and social situation presented to the People's Assembly also mention the agrarian situation. Let us make a comparative study of the data provided for different periods.

Before the military government seized power in 1961-62, there were 2,785,615 peasant families, of which 2,337,965 families, or 83.93 percent, worked under 10 acres of land; 353,509 peasant families, or 12.69 percent, worked between 10 and 20 acres; 88,878 peasant families, or 3.19 percent, worked between 20 and 50 acres; 4,706 peasant families, or 0.17 percent, worked between 50 to 100 acres; and 557 peasant families, or 0.02 percent, worked more than 100 acres.

In 1983-84, 21 years after the military government came to power, there were a total of 4,307,322 peasant families, of which 3,687,755 or 85.61 percent, worked under 10 acres of land; 505,293 families, or 11.73 percent, worked between 10 and 20 acres; 111,667, or 2.59 percent, worked between 20 and 50 acres; 1,911 families, or 0.05 percent, worked between 50 and 100 acres; and 696 families, or 0.02 percent, worked more than 100 acres.

Comparing the figures for 1961-62 and 1983-84, we see that the number of peasant families working under 10 acres increased by almost 1,350,000; peasant families working between 10 and 20 acres increased by over 150,000; the number working between 20 and 50 acres also increased by over 22,700; families working between 50 and 100 acres decreased by 2,795; and the families working on more than 100 acres increased by 39 [figure as heard] families.

In 1983-84, under the military government, the number of peasant families who worked under 5 acres totaled 1,643,055, and of these, the average acreage worked by each family was only 2.3 acres. The number of families who worked between 5 and 10 acres totaled 1,404,700 [figures of peasant families as heard], an average acreage per family was only 7.16 acres [words indistinct].

From these figures, it is evident that under the military government, more than 3.6 million peasant families or 85.61 percent of the total peasant families can be classified as poor peasants. After (?1953), there did emerge to a certain degree several peasantry units which can be said to be wealthy as a result of economic (?work) such as livestock breeding and cash crops, such as sugarcane and rubber. However, it is obvious that that factor could not offset the increasing number in the poor peasant class.

The number of peasant families that worked between 10 and 20 acres was over 500,000, and the average acreage per family was 13.99 acres, which is [words indistinct]. These families can be classified as belonging to the middle peasant class.

Exploitation of Peasantry Discussed

BK051450 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT 4 Jan 87

["Continuation of the Political Report of the Burma Communist Party Central Committee presented at the Third National Party Congress"]

[Text] [Passage indistinct] During the colonial era, exploitation in the form of tenancy farming was 39 to 60 percent, 11 percent in the form of land revenue, and 8 percent in the form of interests.

During the semicolonial, semifeudal era, exploitation in the form of tenancy farming decreased considerably while exploitation in the form of interests increased more than the exploitation in the form of land revenue. During the Anti-Fascist People's Federation League [AFPFL] regime in 1953, exploitation in the form of tenancy farming shrank to 13.1 percent while exploitation in the form of interests reached 9 percent, and in the form of land revenue 4.2 percent.

In 1954, a tenant peasant family paid an average of (?98) kyat for tenancy farming, 62 kyat for interest and (?31) kyat in the form of land revenue every year.

Facts and figures of the situation in the whole country under the military government cannot be obtained, and therefore we cannot discuss them. However, according to a study based on an area under enemy control in Keng Tung township, between 1976 and 1981, a peasant family engaged in 10 acres of tenancy farming paid 80 baskets [of paddy] for tenancy farming, 10 baskets in interest, and 4 baskets in the form of land revenue.

In some areas under the military government there is a system of farm and cash slavery in addition to tenancy farming. This is a form of landlord exploitation of peasants under the agrarian laws and regulations laid down by the military government. Under this system, a peasant has to pay from 500 to 1,000 kyat to the landlord to lease land. The peasant is allowed to use the landlord's land until the time the landlord returns the cash to the peasant. The land is then given back to the landlord.

Under the military government, in addition to the original forms of exploitation, other methods of landlord exploitation of peasants are also emerging under different conditions. Feudal landlordism continues to exist in its worst form (?particularly) in the hill regions. There had been no land reforms in the Shan State until today. The only change is in the sharing of power. The Shan sawbwas [hereditary chiefs], who relinquished their authority and joined administrative organs under other guises, now team up with military officials to share power. Such incidents can easily be seen in Hsenwi, Keng Tung, Namhkam, and Kutkai regions. Also in the Kachin State, the majority of the duwas [chiefs] [words indistinct], and landlords continue to have authority through today by joining one of the organs of power of the military government. They still own farmland and continue the evil practice of feudal landlordism. The only change is the gradual emergence of bureaucratic capitalist power and the decline to a certain extent of absolute domination and rule in the regions by big feudalists who fled to the cities to avoid war.

Although population is comparatively sparse, hill regions in Burma are geographically vast. These regions are very backward, and the rule of law has always been very weak under successive governments. Moreover, areas where the agrarian struggle led by our party must be carried out still remain vast. Also, the other armed forces belonging to the ethnic minorities have not been seen to carry out the agrarian struggle. From the facts we can gather, it is evident that the military government has not initiated even a slightest move to solve the problem of feudal landlord ownership of farmland.

FURTHER REPORTAGE ON NATIONAL DAY COMMEMORATION

Radio Editorial

BK061010 Phnom Penh Domestic Service in Cambodian 2300 GMT 5 Jan 87

[Station editorial: "Continuously Heightening the Immortal 7 January Spirit"]

[Text] The 7 January 1979 victory bears the most far-reaching and glorious significance for Cambodia's history as it saved the country and people from the danger of genocide and loss of territory caused by the gang of Pol Pot-Ieng Sary-Khieu Samphan criminals -- the cheapest lackeys of the hegemonist-expansionists -- and opened up for the first time the pages of a new chapter of independence, freedom, and people's true mastership over their own destiny and that of the fatherland. Filled with joy and pride for the achievements made in implementing the resolutions of the fifth party congress, the Armed Forces, the entire Army, and all our people are warmly welcoming the 8th anniversary of the 7 January National day and have pledged to [words indistinct] the fatherland and the revolutionary gains.

The great historic victory of 7 January is the symbol of the sacred feats of arms of the great union permeated with the resolute will to fight of our cadres, party members, and people under the correct leadership of our KPRP, and also the symbol of the socialist internationalist forces, particularly the alliance of militant solidarity of the three Indochinese countries -- Cambodia, Vietnam, Laos in general and Cambodia and Vietnam in particular.

During the past 8 years, [words indistinct], under the correct and wise leadership of the KPRP and with the valuable aid of the fraternal socialist countries, particularly the Vietnamese experts and volunteer forces fulfilling proletarian internationalist duties in Cambodia, our people have surmounted all tests and trials and scored successive victories for our country. All the perfidious maneuvers and activities of the enemies in their attempt to conduct an undeclared war against the PRK and to bring back the genocidal Pol Pot clique [words indistinct] have been frustrated by our Armed Forces and people. We have been standing firmly along the Cambodian-Thai border.

The masses have been participating in the tasks of defending our fatherland and the revolutionary gains. The movement to make the masses join in work to persuade misled persons to return to the national society and their families and to join in building the Armed Forces and the national defense networks along the Cambodian-Thai border has proceeded vigorously and broadly. This is success which attests to the vigorous development of our national defense work and which has dealt a blow to the reactionary Cambodian groups of all stripes and caused a significant stage of defeat to the strategic schemes of the hegemonist-expansionists who have colluded with the U.S. imperialists and reactionary Thai ultrarightists in an attempt to restore their lost position in Cambodia and carry on their dream of moving southward toward Southeast Asia.

The 6-point clemency policy of our party and state has become the mental strength of our people and is becoming a beacon directing the misled persons to turn to the correct path. As a result, during 11 months in 1986, more than 4,000 misled persons turned themselves in to the revolutionary authorities, including battalion and company commanders, bringing with them more than 2,000 weapons and a quantity of war materiel.

The new regime of the PRK has steadily been firmly strengthened and is most effectively controlling the whole country. All Cambodian people have a high sense of political awakening and are uniting closely around the party and front. All the enemies' activities and schemes slandering the revolution and aimed at undermining the Cambodia-Vietnam solidarity and the Cambodia-Vietnam-Laos solidarity have been smashed in time by our people. No matter how hard the enemies have tried to conceal the evil face of the genocidal Pol Pot clique, they have failed to fool our Cambodian people.

The progressive public in the world has correctly assessed the situation in Cambodia and has welcomed, supported, and asserted that the PRK Government is the sole legitimate and legal representative of the Cambodian people. It has also called for the total elimination of the criminal Pol Pot clique and its henchmen. The national economy, culture, and health have developed rapidly in accordance with the sacred requirements of our people and country. The party's organizational system has been built at all levels, from the central to grass-roots levels, and has developed rapidly in political, ideological, and organizational fields, thus constituting a vital factor for the correct advance of our country in accordance with the requirements of the people and the era -- that is, independence, peace, and socialism.

The victory of the invincible combined forces of the Cambodian revolution can be summed up by the Fifth KPRP Congress into six major experiences or six factors ensuring the triumph of our revolutionary cause. Of these, two essential lessons -- two key factors -- are the incomparable force stemming from national unity, first of all the unity of the working people under the leadership of the party, and all invincible force generated by international solidarity, first of all solidarity of Cambodia, Vietnam, and Laos.

During the past 8 years, we successively defeated the enemies' psychological warfare activities and their perfidious schemes. They are now very weak and are heading toward total collapse. But they have not abandoned their maneuvers aimed at toppling us. As a matter of fact, while they are in such a difficult situation, the enemies will certainly resort to more perfidious maneuvers. With the assistance of their masters -- the hegemonist-expansionists, U.S. imperialists, and the reactionary Thai ultrarightists -- the reactionary Cambodian groups of all stripes have sought every means to cross over from the Thai territory into our territory in order to sabotage our people's peaceful life.

Moreover, 1987 is the second stage of our implementation of the first 5-year socioeconomic restoration and development set forth by the party's fifth national representative congress. For this reason, it is imperative for all of us to always heighten the immortal 7 January spirit, enhance our spirit and will to self-reliance, increase our national unity and internationalist solidarity, particularly with Vietnam, Laos, the Soviet Union, and other fraternal socialist countries, and strive to successfully implement the three strategic goals of our revolution in order to contribute to completely fulfilling the task of defending and building our fatherland toward socialism.

In this immediate period, it is imperative for us to vigorously stimulate the emulation movement in successfully fulfilling all major tasks and work -- attack the enemies, persuade the misled persons to return to the national society and their families, collect and take good care of our rainy season produce, strive to increase dry season production, enhance a sense of thrift regarding the use of the state's and collective's property, and display all-out creativity in the use of production tools which are significant factors for production with high quality and quantity.

It is imperative to pool all resources to fulfill material as well as spiritual necessities for the people, workers, and combatants; sell goods directly to the people; be mindful of the duties as the citizens of a new and good regime; strive to fulfill and even overfulfill the plans to sell rice and agricultural produce to the state; and rally all strata of the people and cooperatives to build firm localities in all aspects.

It is splendid to fulfill these tasks. With all tasks realized, the Cambodian fatherland will advance prosperously.

SPK Commentary

BK080709 Phnom Penh SPK in English 0605 GMT 8 Jan 87

["Glory to Jan 7, 1979 Victory" -- SPK headline]

[Text] Phnom Penh SPK January 7 -- The January 7, 1979 victory has created new strength for the Kampuchean people who liberated the country and have become the true master of their own destiny.

This year, the entire party, the entire people and the entire Army of Kampuchea celebrate their eighth national day at a time when great successes have been made in carrying out the strategic tasks of 1986, the first year of implementation of the first five-year programme of socio-economic rehabilitation, set forth by the fifth congress of the People's Revolutionary Party of Kampuchea.

In 1986, the revolutionary administration was further strengthened and consolidated firmly controlling the whole territory and steadily taking the socialist revolution in Kampuchea forward.

The people realized more clearly who are their enemies and who are their friends, enthusiastically participating in the national defence and construction.

The people and Armed Forces of Kampuchea, under the leadership of the KPRP, have promoted their patriotism and fighting spirit, foiling all the enemy dark schemes, and firmly maintaining security in the interior as well as along the Kampuchean-Thai border.

In spite of the recent ground, air and artillery attacks by Thailand, our people and Army stand firmly on the border, defending our sovereignty, independence and territorial integrity. The major defence line at the border was constantly consolidated with the broad participation of our people from all walks of life and militiamen throughout the country. The increasingly serious disintegration among the three factions of the so-called coalition government and their repeated setbacks made more and more misled people return to the revolution.

On the diplomatic front, great successes were also obtained. The People's Republic of Kampuchea's international prestige was further strengthened and raised. The special strategic alliance among the three Indochinese countries -- Kampuchea, Vietnam and Laos -- was constantly enhanced. Our all-sided cooperation with Vietnam, Laos, the Soviet Union and other socialist countries was promoted, thus contributing to firmly defending peace in Indochina and Southeast Asia as well.

Great progress was also seen in our socio-economic rehabilitation. The people's living conditions were improved. Many economic targets were achieved or surpassed. Culture, education and health care strongly developed, making our people realize more clearly that no former regimes cared for their spiritual life and health as well as for their children's education better than the present regime of the People's Republic of Kampuchea.

The Kampuchean people's survival and the advance of the Kampuchean revolution are inseparable from the support and assistance given us by the party and people of Vietnam. This is the third time that the sons and daughters of the heroic Vietnamese people sacrificed their flesh and blood for the prosperity of the land of Angkor. Their great services done to our people in the noble spirit of proletarian internationalism fostered by the late president Ho Chi Minh, great leader of the Vietnamese people and the Communist Party of Vietnam, will be engraved deeply in the heart of the Kampuchean people from generation to generation.

In 1987, the second year of the first five-year programme on socio-economic rehabilitation and development, the Kampuchean people are determined to strive harder, to obtain greater successes in all fields, military, political, economic and social, so as to build a prosperous Kampuchea.

Defense Minister's Greetings

BK071422 Phnom Penh Domestic Service in Cambodian 1200 GMT 7 Jan 87

[Text] Comrade Koy Buntha, minister of national defense of the PRK, sent a greetings message to cadres and combatants of the KPRAF on the occasion of the 8th anniversary of the great victory of 7 January.

The message reads: On the occasion of the anniversary of the historic great victory of 7 January, on behalf of the Ministry of National Defense, I am delighted to wish the comrade cadres and combatants of the entire KPRAF the best of health, strength, and more successes in the cause of national defense and reconstruction.

The celebration of the 8th anniversary of 7 January takes place at a time when the entire party, entire people, and entire Army have enthusiastically and successfully carried out the 1st year of implementation of the resolutions of the Fifth KPRP Congress.

In fact, our Army, militiamen, and people are closely cooperating with the Vietnamese Volunteer Army in continuing search-and-destroy activities against the enemy to protect our positions and are continuing to build and consolidate the Cambodian-Thai border defense networks, creating a new strategic advantage for the revolution throughout the country. In the interior of the country, we have been actively implementing the triple revolutionary movement of the masses in the localities, creating new advantages and conditions for a fast change and development of the revolutionary movement to build strong local administration.

On behalf of the Ministry of National Defense and in my own name, I would like to hail all the great achievements won by our Army and people and wish all comrades and their families the best of health and success in all tasks entrusted by the party and people. On the same occasion, I would like to extend my deepest and warmest greetings to disabled, wounded, and sick cadres and combatants convalescing or under treatment at various hospitals. I wish them a prompt recovery so that they can return to their units. I also extend my greetings and express deep and sincere gratitude to the families of combatants who were killed or disabled in the cause of defending and building our beautiful Land of Angkor.

On the same occasion, I extend my best wishes and whole hearted gratitude to the Vietnamese Army volunteers and military experts who are carrying out their brilliant proletarian internationalist duty in our country, especially to sick, wounded, and disabled cadres and combatants who are convalescing or under treatment at various hospitals and to families of all cadres and combatants of the Vietnamese Volunteer Army and Vietnamese experts.

January 7 is a historic day and a new birthday of our entire people and Army. Therefore, our Army must remember it and must strive to treasure this glorious gain by working hard to successfully carry out the party's three strategic objectives, constantly heightening revolutionary vigilance, firmly holding arms to fight and be ready to fight, and never become complacent and careless to allow the enemy to make us of his psychological warfare maneuvers and secretly conduct activities harmful to the units and to the existence of the people and revolution.

All units must heighten their will to fight and to crush all military and psychological warfare activities of the enemy, preventing him from rearing his head again, thus contributing to defending the fatherland and the revolutionary gains and building the country step by step through the transitory period toward socialism.

Day Marked in Moscow

OW081927 Hanoi VNA in English 1546 GMT 8 Jan 87

[Text] Hanoi VNA Jan. 8 -- A mass meeting was held at the "Friendship House" in Moscow yesterday to celebrate the 8th National Day of the People's Republic of Kampuchea (Jan 7) TASS reported.

Addressing the meeting, A. Paramonov, minister of textile industry of the Russian Soviet Federative Republic and president of the Soviet-Kampuchean Friendship Society, stressed that "The triumph on Jan. 7, 1979 was a historic gain of the Kampuchean people, and a common victory of the three Indochinese countries, of the forces of peace, socialism and progress."

The same day, a film titled "Kampuchea -- the Path of Revival" was screened on the central television network. On this occasion, the daily PRAVDA and other papers in Moscow highlighted the achievements of the Kampuchean people in national rehabilitation and reaffirmed the Soviet people's strong support and assistance to Kampuchea.

VIETNAMESE DELEGATION LEAVES PHNOM PENH 8 JAN

OW081445 Phnom Penh SPK in English 1150 GMT 8 Jan 87

[Text] Phnom Penh SPK January 8 -- A delegation of the Vietnam State Commission for Price led by Vice Chairman Tran Xuan Gia, left Phnom Penh Tuesday ending its week-long friendship visit to Kampuchea. The delegation was seen off at Pochentong Airport by Keo Samut, vice minister of planning, and other Kampuchean officials. Vietnamese Ambassador Ngo Dien was also present.

While in Kampuchea, the delegation met with Chea Chan To, candidate member of the People's Revolutionary Party of Kampuchea Central Committee and minister of Planning. The delegation held talks with a Kampuchean delegation headed by Vice Minister Keo Samut.

Minutes on economic, cultural, scientific and technical cooperation between the two countries were also signed. Under the document, the two said commissions of Vietnam and Kampuchea, [words indistinct] to further promote cooperation and help each other in their concerned matters. The delegation also visited national museum, the Tuol Sleng Museum of Genocide, the former royal palace and a number of fishing sites, in Phnom Penh.

CGDK REJECTS SRV PROPOSAL ON TALKS WITH PHNOM PENH

BK090030 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Jan 87

[Statement of the CGDK Foreign Ministry spokesman -- date not given]

[Text] On 5 January, 1987, the Hanoi authorities ordered their puppets to announce that they would agree to hold talks with the Cambodian resistance groups. The world is well aware that the Vietnamese aggressors are the ones who make all the decisions in Cambodia and the Vietnamese puppets in Phnom Penh were installed simply to cover up Hanoi's aggression against and occupation of Cambodia. Through this maneuver, the Hanoi authorities have attempted to legalize their aggression in Cambodia so that they can occupy Cambodia forever according to their Indochinese federation strategy.

Because the Vietnamese have been experiencing serious difficulties on the battlefield of aggression in Cambodia and at home where the Vietnamese leadership is rent by insoluble internal rifts, they have resorted to a deceptive diplomatic trick in an attempt to perpetuate their occupation of Cambodia. However, the Vietnamese can no longer fool anybody. The whole world clearly sees that the Cambodian problem is the result of Vietnamese aggression against Cambodia. Therefore, in order to settle the Cambodian problem politically, Vietnam's aggressive forces must be completely withdrawn from Cambodia in accordance with the successive resolutions adopted by the United Nations over the past 8 years.

On this occasion, the CGDK would like once again to appeal to the Vietnamese leadership to put an end to the war of aggression in Cambodia and accept the generous 8-point peace proposal of the CGDK made public on 17 March, 1986 by Samdech Norodom Sihanouk, president of Democratic Kampuchea. This 8-point peace proposal enjoys broad support in the world. Not only is it a firm and correct basis for national reconciliation among all Cambodian people, but this proposal is also a basis for the restoration of good relations between Cambodia and Vietnam. So long as Vietnam continues to prolong its war of aggression in Cambodia, it will be unable to solve the complex problems it faces both in Cambodia and at home or heal the internal rifts within the Vietnamese leadership. Vietnam will only suffer more serious attrition and devastation and its leadership will continue to be plagued by more serious problems. Sooner or later, the Vietnamese leaders will have to open their eyes, see reality, abandon their stinking Indochinese federation strategy and their aggressive and expansionist strategy, and agree to negotiate to settle the Cambodian problem politically with the CGDK, the sole legal representative of the Cambodian people, so that both Cambodia and Vietnam can have peace and Southeast Asia can again experience peace, security, and stability.

SIHANOUK INTERVIEWED ON PEACE PROSPECTS

PM090956 Milan L'UNITA in Italian 7 Jan 87 p 8

[Interview with Cambodia's Prince Norodom Sihanouk by Siegmund Ginzberg in Beijing; date not given]

[Text] Beijing -- "Do you mind if I record our conversation: It is for my records, you see...."

Of course not, Your Highness. So Prince Sihanouk, after switching on his tape recorder and taking a sip of the champagne served to us by a pretty Cambodian woman, began to answer the questions we asked him in the drawing room of the residence permanently at his disposal in Beijing. He spoke in a shrill voice that brooked no interruption, as though into a microphone at a public meeting, rather than an interview.

We asked him whether following the congress in Hanoi there are better prospects than before of a political solution of the Cambodian problem. "There are those who believe that there could be an improvement," he said. "I do not know: I have not had any contact with our Vietnamese neighbors for 10 years, since I was put under house arrest by the Khmer Rouge following my return to liberated Cambodia. Before the Vietnamese congress in October I received a message from them via Austria: They proposed that negotiations be conducted in Vienna between Sihanouk and the other (anti-Vietnamese -- L'UNITA editor's note) coalition government partners and Heng Samrin, head of the (pro-Vietnamese -- L'UNITA editor's note) Phnom Penh government."

[Ginzberg] Do you mean all partners, including even the Khmer Rouge, that have hitherto been ruled out?

[Sihanouk] All except Pol Pot. But I can assure you that Pol Pot will not be involved: He is retired now and very ill too.

[Ginzberg] What was your reply?

[Sihanouk] I agree. Sihanouk agrees. But Son Sann, leader of the pro-Western "Khmers Bleu," and Khieu Samphan, leader of the Khmer Rouge, do not agree. And since we are a coalition, unless we all agree we cannot proceed. No, we will not go to Vienna, because although Sihanouk says "yes" the others say "no."

[Ginzberg] Why?

[Sihanouk] They say that the war in Cambodia is not a civil war. It is a war between an invaded country and its invaders. So the negotiations must take place between two countries -- Cambodia and Vietnam. There are three of us and we want three Hanoi leaders on the other side. Heng Samrin could be included too, but in the Vietnamese delegation. On these conditions we are willing to meet whenever and wherever they want.

[Ginzberg] Wherever they want? Even in Hanoi?

[Sihanouk] No, wherever they want on neutral territory -- in Vienna, Switzerland, Rome (and why not; it would be pleasant in Rome; in Rome there is the pope, who has often voiced his concern about Cambodia), Beijing, or even Moscow, if they want. Not in Hanoi; and not in Phnom Penh either.

[Ginzberg] How did the Vietnamese reply to this?

[Sihanouk] They made it known that our proposal was unacceptable. This was before their congress.

[Ginzberg] But, Your Highness, if you agree with the negotiations proposed by Hanoi, why do you not attend yourself?

[Sihanouk] I am the leader of the coalition. If I did something against the other members' will I would have to resign. But if the Vietnamese want to see me I will not refuse -- at the United Nations, for instance. Hitherto, however, when we have met by chance on the escalator, for instance, they have not even looked at me, even though they are people I knew in the past.

[Ginzberg] Could you not bring pressure to bear on the others by resigning?

[Sihanouk] I am certainly not interested in my title. The point is that if I resign we are finished. In that case only the Khmer Rouge and the Vietnamese will be left. Many countries that have hitherto voted in the United Nations to allow us to retain Cambodia's seat would change their minds. It would be tantamount to presenting the country to Hanoi on a silver platter. Son Sann's group is disintegrating. Moreover, I have already threatened to resign several times -- three or four times. The last time was following the wave of murders of members of my group by the Khmer Rouge. But I cannot now confine myself to threatening to resign. I must do so, otherwise I will lose all credibility. I already feel somewhat ridiculous. It would become a kind of "commedia del l'arte" (in Italian -- L'UNITA editor's note). It is not so much because of the pressures of the other ASEAN countries which, whenever I threaten to resign, bombard me with telegrams and messages from their ambassadors. It is my own supporters who plead with me not to resign. It would spell the end of their small army and it would also spell the end for the 44,000 refugees -- women, old people, and children -- of camp No three on the border between Thailand and Cambodia.

[Ginzberg] So have you decided to reserve your resignation as a means of exerting pressure at a more crucial moment?

[Sihanouk] Before I left for Beijing I was paid a visit in Roissy, Paris, by Jerome Kanapa, son of Jean Kanapa, the veteran French Communist Party leader. He said that in Phnom Penh they are preparing a villa for me, beautifully furnished and with a magnificent garden, and that they told him: "We are waiting for him. He can come whenever he wants." Why? Because Sihanouk has an army, he is the coalition leader, he has a seat in the United Nations. If Sihanouk resigned he would not be heeded by anyone. Messages are sent to me from Phnom Penh and Hanoi, because Sihanouk is a kind of buffer between China, Thailand, the Khmer Rouge, and the Vietnamese. I want to be Vietnam's friend. But I must do my utmost to struggle for my country's independence. The Vietnamese, too, must hope that Sihanouk will live a long time and that he will not become senile, as can happen at a certain age.

[Ginzberg] What about the Chinese? Do they agree with Sihanouk or with Khieu Samphan and Son Sann regarding the possibility of starting negotiations right away?

[Sihanouk] Premier Zhao Ziyang came to wish me a happy New Year. He congratulated me on my rejection of the kind of negotiations that Hanoi proposed in Vienna and on the idea that there must be a bilateral conference between Cambodia and Vietnam, with any future communique carrying only two signatures -- mine and that of a Vietnamese.

[Ginsberg] Do you believe it will be possible to start Cambodian-Vietnamese or Beijing-Hanoi negotiations first?

[Sihanouk] China has said several times that it is willing to negotiate with Hanoi only after they have withdrawn [words apparently dropped] Deputy Foreign Minister Liu Shuqing, who has just returned from a visit to Laos, told me that he had said the same to the Laotians so that they would convey it to the Vietnamese. Actually it is not a very logical stance. Since the central issue of the negotiations is the Vietnamese withdrawal from Cambodia, what sense is there in discussing it only once it has happened? [Sihanouk concludes]

Sihanouk gave us a copy of his book of memoirs that has just been published in France: "Prisoner of the Khmer Rouge." We asked him whether he has seen the movie, "The Killing Fields." Pol Pot's Khmer Rouge, who were responsible for those outrages and who murdered his children and aides, are now his allies. "I have seen the movie," he said. "Pol Pot remains the Khmer Rouge leader but he is very ill. His malarial attacks are worsening and he is a physical wreck. True, the Cambodian people welcomed the Vietnamese as liberators. But now they see them as colonizers. Between the Khmer Rouge and the Vietnamese perhaps they would still choose the Vietnamese. But between Sihanouk and the Vietnamese they certainly prefer Sihanouk. What guarantee, you will ask me, is there that once the Vietnamese have gone the Khmer Rouge will not again do what they did before? It would spell the end of Cambodia; the Vietnamese would be entitled to return -- this time for good. But the Cambodia that we want to build must be called not the People's Republic of Kampuchea or Democratic Kampuchea but simply Cambodia in Italian, Cambodia in English, Cambodge in French, and Kampuchea in our language. We propose forming a quadripartite national unity government with all four components (the three of the anti-Vietnamese resistance plus Heng Samrin's -- L'UNITA editor's note) represented at all levels. There would be four ministers for every ministry. It would be a neutral and independent Cambodia not hostile to Vietnam. If the people want Heng Samrin to govern and the Vietnamese to stay, that suits me too, as long as our people's right to self-determination is guaranteed through elections by universal suffrage under UN supervision.

[Ginsberg] Do you mean elections even before the Vietnamese withdrawal?

[Sihanouk] I am in favor of elections right away. But China and the Khmer Rouge would never accept them before the Vietnamese troops withdraw. The important thing is that the Cambodian people have a chance to decide for themselves, that there be normal elections without the military pressure of the Vietnamese, or of the Khmer Rouge either. I have also proposed that an international UN peacekeeping force come to Cambodia to avert the possibility of the Khmer Rouge exerting pressure of their own (militarily, they are still the strongest of the guerrilla forces -- L'UNITA editor's note). But China and the Khmer Rouge say "no" to this. They say "yes" to supervision, however.

[Ginsberg] These appear to be proposals for the future. But what about the immediate term?

[Sihanouk] First, we must meet, negotiate, talk. I do not know what will happen. I only hope that the new leadership group in Hanoi decides to display flexibility. This is in their interests too because otherwise the war will continue. I am not saying that we can win, but they will have no peace.

PASASON ON THAI REPORT ON MONG KILLINGS BY SRV

BK0810555 Vientiane KPL in English 0923 GMT 8 Jan 87

["Commentary: Motives Behind Thai Paper Slander" -- KPL headline]

[Text] Vientiane, January 8 (KPL) -- The leading Lao daily "PASASON" today comments on the fabrication made by the Thai "DAILY NEWS" that Vietnamese troops stationed in Laos recently slaughtered 43 Mong ethnic Lao at the Lao side of the Mekong facing Nong Khangha villaga, Bung Kan District, Thai Province of Nong Khai.

"PASASON" pointed out an interesting flaw in the article of the Thai "DAILY NEWS" which said that the 43 Mong Lao were slaughtered on the Lao side, but their decayed bodies were sadly floating at the Thai bank of the river. This stopped Thai villagers from fishing at the Mekong. The report, says "PASASON," amounts to nothing other than an utterly groundless fabrication. But one thing is certain, the paper points out, none of the local Lao citizens where the sad incident was said to take place died or saw any dead body floating around. Hence, "PASASON" concludes, had there been any massacre, it must have taken place at the Thai side of the river because there are a number of misled Lao Mong in Thailand. As a matter of fact, the paper adds, they were chased out of Thailand on two occasions due to some conflicts they had with certain Thai officials and the Internal Security Organization Commission [as received] (ISOC).

Regarding this allocation, "PASASON" points out, the Lao news agency KPL on Jan 5 was authorized to issue a statement refuting such fabrication.

"PASASON" commentary further exposes those ill-intentioned individuals as being unwilling to see the Lao-Thai relations improved. Hence this groundless allegation was made. It is aimed at defaming Laos and Vietnam, on the one hand, and covering up the inhumane crimes committed in Thailand this time and on previous occasions, on the other.

The slander was made at an inopportune moment, the paper said, since of late, the atmosphere of friendship and mutual understanding between neighboring Laos and Thailand has been steadily developed in a positive trend that meets the aspirations of the two peoples. This positive atmosphere, the paper says, has been markedly developed since the high-level technical teams of the two countries met in Vientiane in November last.

The fresh accusation, points out the paper, was made by Thailand following a recent friendly tour of Thailand by a Lao art and acrobatic troupe in accordance with a plan for cultural exchange between Laos and Thailand. The tour was enthusiastically welcomed by the Thai public and mass media.

The paper concludes by saying that the allegation is aimed not only at driving a wedge into the unity among the multi-ethnic Lao people and the special Laos-Vietnam solidarity but also at jeopardising the atmosphere of friendship conducive to the improvement of relations between the Lao and Thai peoples. Such allegation, furthermore, runs counter to the spirit of the Lao-Thai communiques signed in 1979. From this fabrication, the Lao and Thai peoples will see for themselves even more clearly who is the saboteur and obstructor of the Lao-Thai relations.

GOVERNMENT PROTESTS SRV DOWNING OF PLANE TO UN

BK081114 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Jan 87

[Text] On 5 January the Thai Government sent a protest note to the UN secretary general on violations of Thai territorial integrity and sovereignty by Vietnamese forces in Cambodia. The note reads:

At 1022 on 2 January a Thai reconnaissance aircraft L-19 with two crewman was hit by Vietnamese 12.7-mm artillery while patrolling 1 km in Thai territory over Sanlo Changan in Ta Phraya District, Prachin Buri Province. The plane was seriously damaged and crashed while trying to land at the Watthana Nakhon Air Base, killing the pilot and seriously injuring his crewman.

During November-December Vietnamese forces violated Thai sovereignty and territorial integrity a total of 129 times, causing considerable loss of Thai people's lives and property.

The Thai Government strongly condemns the hostile acts of the Vietnamese forces and reiterates its legitimate right to undertake any action to safeguard its sovereignty and territorial integrity, as well as the lives and property of Thai people. It asks the Vietnamese to cease armed aggression against Thailand immediately: Vietnam must be held fully responsible for the consequences.

ARMY ANTICIPATES MORE INCURSIONS BY VIETNAMESE

BK030306 Bangkok THE NATION in English 3 Jan 87 p 3

[Text] The army anticipates more limited incursions into the Thai territory by Vietnamese forces based in Kampuchea, similar to that in Buriram last year which cost the Thai army up to about 100 million baht to repel the intruders, informed army sources told THE NATION yesterday.

The sources, who asked not to be identified, said that Army Commander-in-Chief Chawalit Yongchaiyut yesterday expressed "astonishment" at the report that the flush-out operation at O Bok border pass in Ban Kruat District of Buriram was so costly.

Gen Chawalit received the report from Second Army Region commander Lt Gen Itsaraphong Nunphakdi, the commander of the Suranari Task Force, which was in charge of the operation to dislodge Vietnamese intruders from the strategic Hill 538 on the Thai side of the border.

"Well, he was caught off guard because this was the first time he was informed of the cost of the operation," one source said.

The sources added that the operation was costly because it lasted up to 20 days.

"Each day, we fired about 100 artillery shells to support the ground operation to recapture the hill. Each artillery shell costs about 10,000-20,000 baht," he said.

The Royal Thai Air Force (RTAF) also used F-5 jets to launch air raids, "not to mention the overtime payment for the troops participating in the operation," according to the sources.

At least two Thai soldiers were killed and 57 others wounded in the bloody operation to push back the Vietnamese intruders in October last year. The Supreme Command reported that 96 Vietnamese soldiers were killed in the battle which it described as "one of the most successful military operations which incurred minimal casualties since 1979."

This is the first time that the expenses involved in the operation were revealed.

During a meeting of army officers at the Army Convention Hall yesterday, Gen Chawalit instructed commanders of the Suranari and Burapha task forces which are responsible for security along the Thai-Khmer border to lay down measures to cope with the situation in the upcoming dry-season offensive.

The army has predicted that the Vietnamese would launch operations similar to the O Bok incursions during the dry season.

The aim of the incursions, analysts said, was to frustrate possible infiltration of resistance forces into the interior of Kampuchea to sever their logistic routes.

NUCLEAR FUEL PROCESSING PLANT DESIGN FUNDED

BK070504 Bangkok Domestic Service in English 0000 GMT 7 Jan 87

[Text] The Office of Atomic Energy for Peace has received funding in the 1987 budget year for a plan to construct a monazite processing plant to produce nuclear fuel.

Secretary General Athon Pathummasut said that the office has received 1 million baht to design in detail a plant capable of producing 300 tons per year of uranium and thorium. He said the design work should take 1 year to complete. Construction is expected to take 2 years.

Mr Aton said that Department of Mineral Resources statistics show that there are enough monazite reserves to provide up to 15 years of raw material for a plant with a 300 ton per year capacity. If the project is successful, the Ministry of Science, Technology, and Energy will proceed and may invite the private sector to participate in this project.

FURTHER REPORTAGE ON PRC ATTACKS IN VI XUYEN

Hanoi Details PRC Losses

BK090715 Hanoi Domestic Service in Vietnamese 0500 GMT 9 Jan 87

[Text] From early morning to dusk on 7 January, Chinese artillery fired more than 60,000 assorted cannon and mortar shells and sent an infantry division to mount a dozen assaults against the area south of Hills 233, 685, 1100, and 1509, and Pa Han area in the northern part of Vi Xuyen District, Ha Tuyen Province. This was the single heaviest 1-day shelling by enemy artillery in recent years. At some places, shells fell as far as 18 km inside our territory and only 2 km north of Ha Giang city.

Fighting courageously, the Armed Forces of Vi Xuyen repelled all the enemy's assaults and attacks and firmly defended their positions. They inflicted losses on 3 Chinese regiments, killed [dieetj] nearly 900 of the enemy, set ablaze 1 ammunition dump, and destroyed or seized a large quantity of weapons.

Earlier, on 6 January taking advantage of dense fog, an enemy company secretly closed in on the southwestern part of Hill 685, but this force also lost nearly 100 men at the hands of the Armed Forces and people of Vi Xuyen District.

Thus, in 3 days, from 5 to 7 January, the Armed Forces and people of Vi Xuyen, fighting continually with high efficiency, killed [dieetj] nearly 1,500 aggressors, decimated 5 regiments, blew up 10 bunkers, set on fire 2 ammunition dumps and a row of barracks, and seized or destroyed a large quantity of weapons, ammunition, and other war materiel.

Communique on Retrieving Dead

OW081524 Hanoi VNA in English 1524 GMT 8 Jan 87

[Text] Hanoi VNA Jan. 8 -- The command of the Vietnam People's Armed Forces in Vi Xuyen District, Ha Tuyen Province, target of recent massive attacks by Chinese forces, has issued the following communique:

"Acting in the humanitarian spirit and with the authorisation of the higher level, the command of the Vietnam People's Armed Forces in Vi Xuyen District, Ha Tuyen Province, allows the Chinese side to come and retrieve the bodies of Chinese soldiers left on the battlefields."

Defense Ministry Commendation

BK090539 Hanoi Domestic Service in Vietnamese 0500 GMT 9 Jan 87

[Text] In the 3 days of 5, 6, and 7 January, the Chinese expansionists-hegemonists mobilized several regiments with considerable artillery support to launch reckless nibbling attacks against the border area of Vi Xuyen District, Ha Tuyen Province. Upholding their vigilant spirit and combat readiness, the Armed Forces and people of Ha Tuyen promptly and fiercely struck back at the enemy, repelling all his assaults, wiping out many invaders, mauling a number of enemy regiments and battalions, destroying or capturing large quantities of war materiel firmly defending our positions and protecting the beloved border of the fatherland.

The Ministry of National Defense warmly commends the Armed Forces and people of Ha Tuyen for their great victories, thereby recording outstanding achievements to greet the success of the sixth party congress. Let the Armed Forces and people of Ha Tuyen to bring into play their victories, continue to uphold vigilance, quickly learn from their experience, and stand ready to smash all enemy schemes of sabotage and aggression.

Feature on PRC 'Acts of War'

BK090400 Hanoi Domestic Service in Vietnamese 1400 GMT 8 Jan 87

[Station editor Vu Dinh Vinh's feature: "Heighten Vigilance for National Defense"]

[Text] In these very first days of 1987, while our government is clearly showing its goodwill and desire for peace and friendship with the Chinese people, the Chinese authorities have conducted serious acts of war against Vietnam on the Sino-Vietnamese border, specifically as follows:

At dawn on 5 January, taking advantage of bad weather, Chinese troops fired 14,000 artillery shells and mortar rounds of various calibers in support of three attacks by an infantry division on the southern flanks of Hills 685 and 233, Height 1100, and an unnamed hill north of Vi Xuyen District in Ha Tuyen Province. That day, the armed forces of Vi Xuyen District, with their high vigilance and good combat skills, broke all the attacks by the enemy. We decimated 2 regiments, inflicted heavy losses on 2 battalions, and killed nearly 500 enemy soldiers.

On 6 January, the enemy sent a company to mount a surprise raid on our position south of Hill 685. Our forces, on detecting the enemy, organized a counterattack, killing many enemy soldiers, 25 of which were left on the battlefield.

Worthy of note is that between 0600 and 1800 on 7 January, Chinese troops fiercely shelled many areas in Vi Xuyen District, firing nearly 60,000 artillery shells and mortar rounds of various calibers. This day saw a record number of shells fired by the enemy to date. In some places the enemy shells landed up to 18 km deep inside our territory -- only 2 km from Ha Giang city.

On 7 January, the enemy fielded a division-sized force to launch 15 waves of attacks on various hills situated in Vietnamese territory such as the southern and southeastern parts of Hills 233 and 685, Height 1100, the southern part of Hill 1509, and Pa Han. Our local armed forces repulsed all the enemy attacks and decimated three infantry regiments, killing nearly 900 enemy troops and setting ablaze and destroying many weapons and other war materiel.

Thus, on the 3 days of 5, 6, and 7 January 1987, the enemy launched large-scale land-grabbing attacks under fierce artillery cover on a series of hills in our territory, using a division-sized infantry force and different combat maneuvers. However, during those 3 days, they suffered heavy defeats. According to incomplete statistics, our local armed forces and people killed nearly 1,500 enemy soldiers; decimated 5 enemy infantry regiments; razed many trenches, bunkers, and ammunition dumps; and destroyed many enemy weapons and other war materiel.

Our combatants claimed total control over the battlefield, repulsed the enemy, and forced them to leave the bodies of many of their dead on the battlefield.

Well done! The troops and people of Vi Xuyen District and Ha Tuyen Province have again scored new armed exploits. It can be said that in the last days of 1986 and early in 1987, the Chinese troops have launched many land-grabbing incursions to attack fiercely some heights. Our cadres, combatants, and compatriots who firmly stand on the frontline always remain highly vigilant and combat ready. They have promptly detected the enemy's combat maneuvers and operations and have fought courageously, resourcefully, and creatively. The infantry and artillery forces have coordinated their combat operations well. The rear and frontline forces and other armed forces, and the people have united and coordinated with one another closely. Among them, the cadres and combatants of X Group are well seasoned in combat. They have relentlessly and victoriously fought, and achieved very high combat efficiency. Many good combat examples have been noted among the cadres and combatants.

The Vietnamese people have consistently treasured the traditional Sino-Vietnamese friendship. They have proved their readiness to hold talks with China at any time, at any level, and at any place in order to normalize the relations between the two countries. However, our troops and people are more than ever determined to defend the sacred borders of their country. The frontline armed forces, already vigilant, must be even more so in the days ahead. They are ready to frustrate all the enemy's acts of war to fulfill the tasks trustingly and affectionately assigned them by the people and combatants countrywide.

Dear comrades and friends, on 7 January the Cambodian people and armed forces solemnly commemorated the 8th anniversary of the overthrow of the genocidal Pol Pot regime -- lackey of big-nation expansionism and hegemony -- to restore the revolution in their country. The past 8 years have been a period of very fierce yet gloriously victorious struggle of the Cambodian people. Overcoming all ordeals, the Cambodian revolution has developed and grown stronger every day. The Cambodian people have scored many great achievements in developing the economy stabilizing their livelihood, consolidating the revolutionary administration, and firmly maintaining security. Their prestige in the international arena is increasing.

As everyone knows, however, by refusing to resign themselves to defeat, the imperialists and international reactionaries have sought by every means to sabotage the rebirth of the Cambodian people. They have gathered reactionary Khmers of all stripes to patch together what is called the Coalition Government of Democratic Kampuchea in order to oppose and sabotage continually the Cambodian revolution.

In 1986, encouraged and provided with weapons and other facilities by its boss, the Pol Pot clique and its hordes stepped up their operations to penetrate the Cambodian hinterland and perpetrate crimes. The ruling Thai ultrarightists have ordered their troops to conduct thousands of provocative intrusions into Cambodian airspace, territorial waters, and territory, and to support the remnant troops of the various reactionary Khmer groups.

While large segments of world public opinion loudly demand the elimination of the genocidal Pol Pot clique as a politico-military organization from any political solution to the Cambodian issue, China, the United States, and other reactionary forces have stubbornly clung to the Pol Pot clique and, at the same time, sought to peddle the 8-point proposal of their lackey clique. The Chinese radio and press have even claimed that the 8-point proposal ranks as the third or fourth great world event of 1986.

On 5 January, the chief of the general staff of the Chinese army, Yang Dezhi, left for Thailand. According to AFP, during his stay in Bangkok Yang will coordinate the distribution of Chinese military aid to the reactionary Khmer groups. Western military analysts also disclosed that Yang Dezhi will discuss with Thai military officials the supply of additional Chinese weapons to Thailand.

Nevertheless, surmounting all difficulties and ordeals, the Cambodian revolution has advanced steadily. In 1986, the Cambodian people scored great victories in implementing the two strategic tasks of building and defending the nation. Following the 1984-85 dry-season victory, with the effective assistance of the volunteer Vietnamese troops, the Cambodian revolutionary armed forces overran a series of enemy hideouts and important bases along the border. In 1986, the Cambodian troops and people continually developed their initiative and strength in the new situation, continuously inflicting painful blows on reactionary Khmers of all stripes.

Losing ground along the border, the reactionaries tried to penetrate into the interior to conduct sabotage, but they have been pursued and mopped up by the local administration and people to be finally eradicated or captured. Those who, with the support of the Thai side, have penetrated inside Cambodia for sabotage operations have also been intercepted and attacked by the revolutionary Cambodian armed forces along the border. Meanwhile, more and more misled people have left the reactionary Khmer ranks to return to the people. In 1986, more than 30,000 misled people returned to the revolutionary administration, bringing along many weapons and ammunition.

Reviewing the above situation, our troops and people as well as the troops and peoples of friendly Cambodia and Laos are even more enthusiastic and confident. Nevertheless, we must remain united and vigilant because the forces hostile to the Indochinese countries still nurture many dark plots and schemes.

NGUYEN VAN LINH VISITS ECONOMIC-TECHNICAL FAIR

OW081929 Hanoi VNA in English 1600 GMT 8 Jan 87

[Text] Hanoi VNA Jan. 8 -- Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, this morning visited the third national economic-technical fair at the Giang Vo. He was accompanied by Tran Van Phac, member of the party Central Committee and acting minister of culture.

General Secretary Nguyen Van Linh congratulated the participants and urged all branches and localities to make a better use of their existing capacities and effectively apply scientific and technical advances in service of production, life and export.

NHAN DAN URGES INCREASED COMMODITY PRODUCTION

BK061605 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Dec 86

[29 December NHAN DAN editorial: "Bring Commodity Production Into Full Play"]

[Text] The resolution of the Sixth CPV Congress points out that bringing commodity production into full play is one of the three major and most important target programs under the 5-Year 1986-90 Plan. All of our party and people must truly concentrate their energy and money on implementing at all costs the commodity production program so that when the initial stage of the transitional period ends, production can meet the urban and rural people's normal requirements for essential commodities.

Bringing commodity production into full play has urgent, long-term, and essential significance in order to ensure the people's daily requirements, renew the production cycle of the workforce, provide employment to millions of laborers, create more jobs for the people, and generate an important source of capital accumulations and exports.

Over the years, although commodity production has been brought into play, its pace of development remains slow. Many kinds of ordinary commodities are still very scarce. Commodity quality shows a decline. Commodity production forces and the raw materials for producing commodities have yet to be exploited satisfactorily. A number of economic policies have yet to be improved or supplemented in order to provide incentive to commodity production.

Thoroughly aware of the spirit of the Sixth CPV Congress, all echelons, sectors, grass-roots economic units, and the laboring people must strive to implement the commodity production program in such a way as to suit each area, age group, and ethnic group. They must bring into comprehensive play all essential sectors, including the grain and food processing sectors, and other sectors producing fabric; ready-made clothing; mosquito nets; rush mats; soaps; paper; medicinal products; shoes; wooden shoes; sandals; hats; pottery; porcelain articles; glassware; rubber, plastic, rattan bamboo, wooden, metal, and consumer electronics goods; decorative items; cultural products; and so forth.

Efforts to increase production volume and the range of goods must be made in conjunction with efforts to ensure product quality, constantly develop innovative ideas, and ensure the technical and aesthetic qualities of products.

To bring commodity production into full play, it is important that we have raw materials and a policy on raw materials. The Sixth CPV Congress pointed to the main targets which consist of striving to exploit all sources of raw materials in the country while giving priority to reserving foreign currency for importing necessary raw materials. The state will buy commodities as well as raw materials from producers and production establishments at prices already readjusted to provide appropriate incentive.

To attain high economic efficiency in commodity production, we must rearrange production, make extensive capital investments, and give priority to creating material conditions that make full use of the capacities of the existing commodity production enterprises, especially those which are large and have high output and productivity and those in large cities like Hanoi, Ho Chi Minh City, Haiphong, Danang, and Nam Ninh.

As for those production installations built a long time ago whose equipment and machinery are too old or unserviceable, we must gradually renovate them technologically. The small-industry and handicraft force, now comprising millions of laborers whose production volume constitutes half of the country's total, still has the capacity to absorb more laborers. It needs assistance from various echelons and sectors to increase production. It is necessary to do away with those policies and systems now restricting the activities of the small-industry and handicraft force.

Thoroughly aware of the spirit of the resolution of the Sixth CPV Congress, we must boldly use all the production forces and economic elements for the production of commodities. Those heavy-industry enterprises and national defense machinery enterprises with the potential to produce consumer goods must be used rationally.

It is necessary to devise a correct policy to use various state- and collective-run economic elements, small commodity producers, and privately- and state-run capitalist sectors for the production of consumer goods and to widely mobilize the sources of capital and technology from the people, including Overseas Vietnamese nationals, in order to develop establishments that produce and process raw materials under various forms.

The commodity production program requires a rational and economical consumption policy for the entire society. It also requires our party cadres and members as well as our entire people to use local goods in a voluntary manner and to promote and protect the commodity production in our country.

Implementation of the commodity production program is aimed at ensuring the people's daily requirements. This is extremely important as it will contribute to implementing the overall objective set forth at the Sixth CPV Congress for the remaining years of the initial stage -- namely, continuing to stabilize the socioeconomic situation in all aspects and building necessary premises for boosting socialist industrialization in the ensuing stage.

PARTY DIVIDED OVER LEADERSHIP CHANGES

BK050406 Hong Kong AFP in English 0339 GMT 5 Jan 87

[By Laurent Maillard]

[Text] Hanoi, Jan 5 (AFP) -- Vietnam's Communist Party despite a recent leadership reshuffle, is still deeply divided over the replacement of its "old guard" and has deferred major decisions for another six months, observers here say.

The changing of the guard, widely expected for the past year, has indeed taken place within the party but the changes were only half-measures, affecting the party but not the government.

The three main Vietnamese leaders -- Truong Chinh, Pham Van Dong and Le Duc Tho -- surrendered their party positions at a party congress last month "for reasons of age and health." But contrary to expectations, they did not all step down from government posts at a session of the country's National Assembly held last week. Mr Truong Chinh, 79 remains head of the State Council and Mr Pham Van Dong, 80 is still prime minister.

The official explanation for this "pause" is that a new National Assembly is to be elected in a few months. Such important political decisions should be left to the new body, Vietnamese officials say.

Although the Vietnamese Constitution requires the Parliament to nominate the prime minister and State Council chairman, observers note that the National Assembly is only a rubber stamp which endorses party decisions. Moreover, the move to defer the second phase of the leadership reshuffle to mid-1987 was, according to all sources in Hanoi, a last-minute congress decision.

Diplomats and analysts here agree that the postponement reflects Vietnamese leaders' concern to ease year-old divisions within the party on policy and the leadership transition. The congress only exacerbated these internal tensions.

Reliable sources reckon that numerous party "conservatives" find it hard to accept the departure of the country's "historic leaders" -- the last remaining guarantee of party unity -- and the nomination of one of the leading "reformists," Nguyen Van Linh, as general-secretary. Keeping Mr Truong Chinh and Mr Pham Van Dong in their government posts for the time being should therefore reassure the conservatives, the sources say.

Elsewhere on the political horizon, no one has been able to agree on the choice for a new prime minister, sources here say, and this seems destined to become the object of the next battle between the conservatives and reformists. Analysts agree that the conservative wing still remains powerful in the new Politburo emerging from the congress despite losing much ground in the past year. Nevertheless, the leader of this group, Mr Le Duc Tho, emerged as one of the big losers from the congress: he lost his party post but did not manage to retain a government position as did Mr Truong Chinh and Mr Pham Van Dong.

Paradoxically, the deferral of changes to the state apparatus is convenient to a number of reformists who hope to be in a better position in a few months to impose their own candidates and avoid a compromise with the conservatives. This is notably the case with numerous partisans of General Giap who have not given up hope of seeing the prime ministerial post go to the victor of Dien Bien Phu, where Vietnamese troops defeated French forces in 1954. Conservatives vetoed his election to the Politburo at the congress but sources close to the general say his immense popularity still makes him a possible candidate for prime minister and time can only work in his favour.

Meanwhile, the Vietnamese population at large seems to feel deceived by the sudden brakes applied last week to the hopes for change inspired by the December congress. "Nothing will ever change in this country," was a comment heard here in recent days, particularly among young people. "The leadership changes are a sham," some said.

In addition to causing discontent among a population eager to see the long-promised "renewal" actually take shape, the current status quo also creates an unprecedented situation for a communist government: neither the prime minister nor the head of state are officially involved in party decisions. "Instead of clarifying the situation, the partial changes have just complicated matters," a Western diplomat based in Hanoi said last week. "Power is even more fragmented than before. The new general secretary has to take into account not only the advice of the Politburo but also that of the historic leaders whose moral suasion and government role is intact," he said.

Diplomats from socialist countries also seem concerned about the latest developments. "The situation is a complete sham," a Soviet official said recently. An Eastern European diplomat expressed concern about the "weakness" of the new general secretary and a possible paralysis of power. "The economic situation is critical and calls for strong executive power," the diplomat said.

Everything now depends on Mr Nguyen Van Linh's ability to establish himself as strong party chief in the months to come, observers here say.

If he is unable to impose the necessary changes on the government within the next few months, Vietnam risks becoming bogged down in a permanent state of compromise politics which will prevent the radical and urgent policies needed, diplomats here agree.

HAU GIANG DELEGATE'S SPEECH AT CPV CONGRESS

BK031200 Hanoi NHAN DAN in Vietnamese 17 Dec 86 pp 6, 7

[Speech by Hau Giang provincial party organization delegate Le Thanh Nhan at the sixth national party congress; date not given]

[Text] Our delegation is elated by the serious attitude with which the Central Committee accepted the views which the various party congresses at all levels contributed to the revised Political Report presented at this congress in the spirit of looking squarely at the real situation of our country and in speaking frankly of achievements as well as mistakes and shortcomings over the past years. We totally agree with the contents of the report.

As an agricultural province with a quite large cultivated area in the Mekong Delta, the party and people of Hau Giang have clearly realized their responsibility toward the grain problem nationwide. We have daily watched and sympathized with the concern of the Central Committee in trying to resolve this urgent problem. Efforts have been constantly exerted over the past few years to cope with the grain problem -- a problem that, in our opinion, we can totally resolve on the basis of our realistic capabilities.

We have correctly considered agriculture as the foremost battlefield and grain as the number one priority. However, we have, in fact, not acted along that line.

Between 1981 and 1984, the capital invested by the central government in agriculture nationwide only accounted for 21.33 percent of the total; we think this was very small (not to mention as to whether or not this capital was designed to meet requirements and given to the right localities on schedule). With regard to Hau Giang in particular, what little capital directly invested by the central government gradually decreased (from 30.4 percent of the province's total capital investment in 1976-80 to 11.63 percent in 1981-84). Water conservation is of primary importance; but over the past 5 years, only 12.85 dong per hectare we earmarked by the central government for this purpose. This amount reached only 37.85 dong per hectare even after including local funding.

Fertilizer and insecticides are badly needed for intensive cultivation and multicropping; but they have been supplied in very small quantities and often did not meet the crop cultivation schedule. Every year, Hau Giang needs 125,000-130,000 metric tons of nitrogen fertilizer (in SA [synthetic ammonia] equivalent), 20,000 metric tons of phosphate, 2,000 metric tons of potash, and 2,000 metric tons of insecticides; but the central government supplies on the average only 58,000 metric tons of nitrogen fertilizer (46 percent of what is needed), 2,900 metric tons of phosphate (14 percent), and 780 metric tons of insecticides (39 percent). This is not to mention that gasoline and oil (needed for tilling and drought and waterlogging control), draft power, drying space, storage space... are badly insufficient; and generally the availability of fixed assets per hectare is very low.

Faced with such a situation, what can we do to realize satisfactorily the grain and food program set forth in the congress resolution? We have on many occasions made suggestions; and today I would like to continue making suggestions based on the ideas contributed at party congresses held at various levels in our province.

One: The central government should concentrate investment in agricultural production, especially grain production, to boost productivity and output in the most productive areas that are seldom hit by natural calamities such as typhoons and flooding and are capable of turning out plenty of grain.

In our opinion, the Mekong Delta, with its large area of arable land and favorable climate, is a region with great potential for producing grain and food and producing and processing agricultural and marine products for export. Therefore, appropriate concentrated investments should be made to tap its potentials more satisfactorily at an early date in order to meet the local demand for grain and make an important contribution to the whole country. This does not mean that we take other grain-producing regions lightly.

Two: Given little capital investment and limited capability of the central government, we ask that the central government establish fixed grain quotas for the localities on a 5-year basis and allow the localities to balance their budgets by using the products they have turned out. After fulfilling their quotas, they may engage in export and effect economic integration with other localities in order to purchase equipment and supplies needed for agricultural production and consumer goods for local use and to make a contribution to the entire country.

Three: The central government and the ministries concerned should study the adoption of appropriate policies designed to resolve the production of grain by establishing the ratio for 2-way exchanges (of fertilizer, insecticides, gasoline and oil, timber, and cement for paddy...) with the peasants; readjust the price of paddy for each crop season; reduce agricultural taxes because the current policy involves an all too detailed classification of lands into 7 hectare); adjust rationally the prices of industrial consumer goods to make them compatible with the prices of grain, other agricultural products, and foodstuffs; and provide incentives for cadres of villages producing grain and food and making contributions to the state whose life is still beset with difficulties.

In the past 10 years, in the spirit of the entire country and with the entire country, we have, in spite of inadequate and untimely supply of materials, striven to mobilize funds from the local budget and brought into play the masses' self-reliant spirit to step up the development of grain production; consequently, we have been able to procure a total of 2.588 million metric tons of paddy, of which 2.019 million metric tons have been delivered to the central government -- averaging 201,900 metric tons a year or 681 kg per hectare of cultivated land.

This is a great effort of our peasants in the province. As for our part, in the spirit of forthright self-criticism, we conducted self-criticism in the recent provincial party congress and admitted that we have not properly taken care of the livelihood of the people in the province (90 percent or so of whom are laboring peasants) so that 10 years after liberation, people in many outlying rural areas and ethnic people in several regions in the province still lack food in pre-harvest periods. In some localities, following the harvest, after paying taxes and paying for materials in the two-way contracts and other expenses, people have no rice left for themselves. There are still critical shortages of houses, lighting oil, medicines, transportation, and schools in the rural areas, especially in those outlying areas and the former resistance bases. The spiritual life in terms of cultural and artistic entertainment is still very poor.

From this podium, we would like to report this real situation to the congress because a few comrades may not have gone to the outlying areas and learned about the livelihood of our peasants. They might think that peasants now have a stable life with high income. Some have even hinted at adjusting peasants' income. If such a view is carried out, the life of peasants will become even more difficult, especially in the area where only one rice crop is planted yearly. This will affect the worker-peasant alliance.

In the spirit of using the people as a base, we should take care of the livelihood of our people, large numbers of whom are laboring peasants. We resolve to take better care of our local people to foster their strength. At the same time, we ask the Central Committee and other central government agencies to make specific studies and formulate policies to better deal with the livelihood problems of peasants so that they can have peace of mind and enthusiasm in developing production and turning out more grain, food products, and consumer goods for the country. Moreover, the realities in Hau Giang Province have shown that leadership over the task of mass motivation should be intensified to build strong and firm mass organizations serving as a core in the revolutionary mass movement. In the countryside, prime attention must be paid to the organization of collectivized peasants' association. Relying on this association, we should perform well the task of educating peasants on socialist revolutionary awareness, serve as a core for the production and thrift movements, care for the peasants' livelihood, and mobilize the laboring peasantry -- the largest force in society -- to participate actively in national construction and defense and to strengthen the worker-peasant alliance bloc in the advance to socialism.

At all levels of the party congresses in our province, we had a common observation that the forth and fifth party congress resolutions and all other resolutions of the party Central Committee are correct but many of these resolutions and lines have not been implemented well. At times, there was deviation because specific policies, especially appropriate economic policies, had not been formulated; political and ideological tasks have not been well implemented to make the young people thoroughly understand the spirit of resolutions and policies; and placement of cadres and the organization of implementation still show many shortcomings.

Consequently, we deem the following as necessary:

First, following this congress, an indoctrination drive should be conducted among all party members and the people to make all cadres and party members well aware of the spirit and contents of the congress resolution, especially the renovation of thinking in the party with respect to the viewpoints on economy, and the ideological, organizational, and cadre-related tasks in order to overcome by all means the recent mistakes and shortcomings of our party.

Second, the Central Committee should promptly formulate specific policies to encourage the production development and resolve the current problems of prices, wages and money. It should resolutely revamp the party's organizational apparatus at all levels, the administration and mass organizations. In particular, the administration at all levels must be streamlined and able to implement satisfactorily all policies and resolutions adopted by the congress, especially to implement successfully the three programs for grain and food products, consumer goods, and export goods.

Third, leadership and the organization of implementation must be improved satisfactorily. Leading cadres must stay close to the grass-roots level and the masses and consult with and listen to their subordinates and the people every time they want to adopt any policy related to the masses. Cadres should be assigned to implement each specific policy and to follow up and control regularly the implementation of resolutions. He who has not thoroughly understood or agreed with given policy will not be assigned to implement that policy. He who has not fulfilled his task should be resolutely asked to finish it. He who has not satisfactorily performed or performed against the party resolution must be thoroughly criticized. If the shortcomings are serious, severe disciplinary measures must be applied, no matter what positions the persons involved may hold. The laxity in party organization and discipline must be overcome. Moreover, subordinates must submit timely reports to their superiors and the latter must give adequate and timely answers to their subordinates' requests and petitions and must handle the people's complaints and letters of denunciation in accordance with law.

QUANG NINH DELEGATE'S SPEECH AT CPV CONGRESS

BK031454 Hanoi NHAN DAN in Vietnamese 17 Dec 86 pp 6,7

[Speech by Quang Ninh provincial party delegate Pham The Duyet at the Sixth CPV Congress; date not given]

[Text] As party members who participated in trade union activities, we would like to present our views on the human factor in productive labor and the problem of ensuring the worker's and civil servant's right to collective mastery.

We have an identity of views on the evaluation and arguments presented in the Political Report of the party Central Committee by Comrade General Secretary Truong Chinh at the congress. The reports has profoundly manifested the will of our entire party and people to renovate all aspects of our thinking, especially economic thinking, and to renovate our working method, organization, and cadre task.

We have understood the criticism made by the Political Report that during the past years we have clung to such negative phenomena as subjectivism, arbitrariness, simplicity in thought and action, hastiness, tailing after subjectivism, and failing to firmly grasp and act in accordance with the law of objectivism. This is the petit bourgeois characteristic, having both rightist and leftist concepts.

We think that this mistake is manifested also in another important area, that is the party's lack of interest in human strategy and the human factor in production.

We have not given our full attention to studying and formulating a strategy and a plan to build an appropriate contingent of workers for economic building and development programs and for implementing the socialist industrialization of our nation. More than 50 percent of our workers throughout the country have not been trained in vocational schools, while a large number of them, though trained in these schools, are jobless. The ratio between skilled workers and scientific and technical cadres from intermediate level to university or higher levels is not balanced. At present, tens of thousands of scientific and technical cadres have not been used in the fields they studied. We have not paid full attention to and formulated concrete and appropriate policy on the recruitment of outstanding workers for special training to turn them into leading cadres for various echelons and sectors of the party and state. The number of party members directly engaged in production as a percentage of the total party members is declining.

President Ho Chi Minh taught us: "We must eat to live in order to work and build socialism." A proverb says: "Honesty is the best policy." This is well known to everyone and needs no further explanation. However, the present salaries earned by our workers and civil servants are not enough to revitalize their strength for continued labor. Egalitarianism in the pay system has borne a negative effect on the encouragement of workers and civil servants to raise the levels of their professional skills, on the division of labor, on various necessary trades and jobs, and on outlying localities. Some systems of social aid and subsidy such as subsidies for workers who worked the third-shift or worked in warm and toxic conditions; aid for workers' dependents; social welfare; hardship allowances; and so forth, are all carried out in an irrational manner. We must review and adjust these systems. At many places, minimum facilities to ensure safety for workers have not been fully provided while working conditions have been developed slowly, thus accidents for workers are still common.

When faced with such conditions as shortages of raw materials and fuel for workers and civil servants to continue their work, while they cannot make both ends meet, their grown children have no work to do, and prices of goods are skyrocketing; we should promptly pay attention to formulating plans to effectively mobilize our work force and reorganize production, encouraging workers and civil servants to carry out family economy, and improving services for workers and civil servants at enterprises and industrial cities. It is with regret, however, that we have realized this fact too late.

All these points have made apparent the backwardness of our socioeconomic policy in general, and the wage system in particular. This has negatively affected production, diminished the diligence and creativity of our workers, damaged their spirit and morale, and lessened their confidence in the party leadership. The trade union must also share responsibility for these problems.

In the spirit of serious self-criticism, we have profoundly reviewed our weakness and found that we have not been sharp and active enough in coping with the new problems in production and in the worker's and civil servant's daily life. We have not striven hard enough to keep the trade union's activities abreast of the current situation in order to be able to study and propose to the party and state various draft laws on social and labor problems relating to the obligations and rights of the workers and civil servants. We have not resolutely mobilized and encouraged workers and civil servants to satisfactorily carry out inspection work in order to contribute positively to the struggle against negative phenomena and corruption at enterprises, state organs, and in society.

We recommend that the Sixth CPV Central Committee promptly issue a resolution on the building of the working class in the new situation and that the state promptly promulgate the labor code and the amended trade union law in order to institutionalize the duties and benefits of workers and the responsibilities and rights of trade unions as stipulated in the Constitution.

As an immediate step, we recommend that state agencies scrupulously implement the approved urgent measures to alleviate the livelihood problems for workers and civil servants. The party and state should institute policies to satisfactorily employ and remunerate scientific cadres and skilled technical workers and those who do heavy and noxious jobs. There should be policies to encourage people to work in outlying areas and to pay more attention to the development of collective welfare and the resolution of housing problems for workers and civil servants. [paragraph continues]

A study should be urgently conducted to positively resolve the unemployment problem for workers and civil servants and their dependents and to promptly revise the pay system in order to make wages really the main legitimate means of living for workers and civil servants and an important factor in the system of economic levers to encourage workers to produce more wealth for society. While wages cannot have increased and market prices have not been stabilized, necessary measures should be taken to allow workers and civil servants buy staple commodities at stable state prices in order to guarantee that they can live practically on their wages.

Developing the laboring people's mastery to build socialism is a principled issue in the activities of our party, state, and people. However, no considerable change has been noted yet in the implementation of collective mastery of workers and civil servants in grass-roots units. Stipulations in the Constitution on the rights of trade unions to participate in the work of the state and to control the activities of state agencies have not materialized. Many management agencies have not respected these stipulations and have not created conditions for trade unions to carry out these stipulations. Many state agencies at various levels have even tried to restrict the role of trade unions in participating in state management and in controlling the work of state agencies.

Many influential cadres have violated the laboring people's right to collective mastery and revenge workers and civil servants, making the people lose confidence in social justice.

The number of letters of denunciation has increased every day, mostly denouncing influential cadres for being arbitrary and corrupt. Some of the cases have been publicized recently in newspapers. These are a very few cases as compared to the real number of such cases that have occurred and are occurring throughout the country in many grass-roots units, sectors, and localities.

Workers and civil servants are very discontent with those who have violated their right to mastery, and they cannot sympathize with those cadres who try to protect and condone violators.

In implementing Directive No 79 of the party Central Committee Secretariat, some of these cases have been dealt with and the people's sympathy and confidence have begun to be consolidated.

We recommend that a system be promptly established for leading cadres of the party and state agencies and the mass organizations to periodically make contact with the people and listen to their views. The legitimate petitions of the masses must be handled promptly. The negative cases denounced by the masses must be checked, concluded, and severely dealt with and the people must be publicly informed of the results of action. Workers, civil servants, and trade unions must be permitted to know and debate the work of the state in various agencies and factories so that they can mobilize the people to help carry it out. Leaders at all echelons must be placed under the control and supervision of workers, civil servants, and trade union. Only by doing so, can the question of letting "the people know, debate, and control," mentioned in the Political Report to this congress, have some real meaning. If such can be done, workers and civil servants will certainly be very enthusiastic and the campaign to purify the party, overcome corruption in the state machinery, and repel negativism in society will certainly be a success.

As trade union cadres, we pledge to the party that we will strive to implement Uncle Ho's teachings: "Trade union cadres must know about production and the livelihood of workers and civil servants; must understand the party policies; and must have some economic management, scientific and technical knowledge" in order to enable trade unions to really bear an effect on "vigorously promoting the collective mastery of workers and civil servants in their participation in the management of factories, economy, and the state," in order to make worthy contributions to creating new changes in all aspects of the country's life and to successfully implement the sixth party congress resolution.

COMPARISON OF NGUYEN THANH BINH SPEECH

Hanoi NHAN DAN in Vietnamese on 17 December carries on page 4 a 1,800-word speech by Nguyen Thanh Binh, secretary of Hanoi municipal party committee and head of the Hanoi municipal party organization delegation to the Sixth CPV Congress, at the 15 December afternoon session of the congress. This version has been compared with the Hanoi Domestic Service Vietnamese version, published in the 19 December Asia & Pacific DAILY REPORT, page K 17, revealing the following variations:

Paragraph three, last line reads in NHAN DAN: revolutionary cause forward. [new graf] However, the Political Report and Economic Report still do not advance sufficiently effective measures to solve the most acute socioeconomic issues in the immediate future to satisfy the demands of the people throughout the country toward the party congress. We suggest that the congress make a decision to assign the party Central Committee to establish at any cost, immediately after the congress, a system of policies and measures to ensure unified leadership over the activities of all echelons and sectors throughout the country, striving with the highest degree of determination and greatest efforts to change the actual situation in the country in 1987.

The revolutionary undertaking of our country also demands that the party correctly allot the assignment of cadres, especially leading cadres at various levels and in various sectors, whose quality and ability are in conformity with new thinking and new viewpoints as specified in the Political Report. This is the decisive factor in changing the work style and organizing practical work in an effective manner aimed at translating the congress' resolutions into realities in our social life. [new graf] We highly agree (supplying additional grafs, picking up graf four, line one)

Page K 19, paragraph one, last line reads in NHAN DAN: capital at present. [new graf] In the process of economic development, we must constantly consolidate and perfect production relations, improve operational methods, continue struggling against bureaucratism and subsidization, and vigorously switch to the mechanism of planning in accordance with socialist accounting and business methods in order to enable the socialist economy to truly retain a leading role and operate with high efficiency. At the same time, we must enforce policies to encourage the household economy and individual economy sectors to develop production and service in the correct direction, aimed at mobilizing the strengths of the people to solve the problem of employment for laborers, create more products for society, and stabilize and improve life. [new graf] As an industrial (supplying additional graf, picking up graf two, line one)

Same page, paragraph two, line five reads in NHAN DAN: the Hanoi market. [new graf]
In the field of foreign economic relations, we will try to vigorously develop the production of export goods and expand economic integration with the capitals of all socialist countries, especially Moscow, in all three domains -- contracts, labor cooperation, and joint business and enterprise between the two sides. We will always give priority to our cooperation with Vientiane and Phnom Penh to help strengthen, foster, and expand comprehensively the special relations among Vietnam, Laos, and Cambodia and, at the same time, pay great attention to the contributions of overseas Vietnamese and international organizations in terms of science and investment to the construction of the capital in accordance with state policies and law. In light of (supplying additional passage)

BRIEFS

HAIPHONG-PRK FRIENDSHIP MEETING -- On the afternoon of 3 January the Executive Committee of the Haiphong municipal chapter of the Vietnam-Kampuchea Friendship Association held a get-together to mark the 8th anniversary of the PRK National Day, 7 January 1979 to 7 January 1987. A large number of representatives of various political parties and mass organizations and numerous cadres of different sectors and services of the municipality who once worked in Cambodia were present. (Nguyen Dinh Dien), member of the Standing Committee of the municipal party committee, vice chairman of the municipal people's committee, and chairman of the local chapter of the Vietnam-Kampuchea Friendship Association, gave a speech highlighting the great achievements recorded by the Cambodian people over the past 7 years in the economic, cultural, social, and other fields. He expressed the warmest sentiments of the party organization and people of Haiphong toward the brilliant achievements of the fraternal Cambodian people and wished the people of Cambodia and of the sister port city of Kompong Som, under the leadership of the KPRP headed by esteemed Comrade Heng Samrin, many more and even greater achievements. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 3 Jan 87 BK]

AUSTRALIAJAPAN'S KURANARI HOLDS TALKS IN CANBERRA

BK080301 Melbourne Overseas Service in English 0030 GMT 8 Jan 87

[Text] The Japanese foreign minister, Mr Tadashi Kuranari, has called for a new relationship between Japan and Australia. Addressing joint ministerial talks in Canberra, Mr Kuranari said economic restructuring in both countries called for a more diversified relationship with a more global and long-term perspective. Radio Australia's national affairs reporter, Tony Hill, says Australia's foreign minister, Mr Bill Hayden, has warned that wider Western interests in the region have been prejudiced by the economic policies of some countries.

[Begin Hill recording] Mr Kuranari said he hoped Australia would try to restructure its economy from a medium- to a long-term perspective. He gave a reassurance on maintaining access to Japan for Australian exports such as iron ore and coal and promised Japanese cooperation in freeing up world agricultural trade. The foreign minister said that Japan and Australia formed a north-south axis in the Asia-Pacific region and should work jointly to promote stability and development. Japan wished to strengthen its relations with the Pacific island states with Australia's understanding.

Australia's foreign minister, Mr Hayden, said new influences had been felt in the strategic environment of the South Pacific and these called for greater capability from Australia. He warned, however, that international economic pressures would reduce Australia's resources and said that calculations of single national economic advantage prejudiced wider Western interests in the region. [end recording]

'Critical Approach' Adopted

BK090955 Melbourne Overseas Service in English 0830 GMT 8 Jan 87

[Text] Australia today expressed concern over the failing of Japan to fulfill its assurances on trade with Australia. Australia's concern was part of a critical approach to Japanese economic policies during the first few days of ministerial meetings in Canberra. Radio Australia's national affairs reporter, Tony Hill, reports:

[Begin Hill recording] Government spokesmen said the talks showed a relaxed openness and directness, and Australian ministers echoed Japanese calls for a more diversified economic relationship between the two countries.

However, Australia's trade minister, Mr Dawkins, said despite Japanese assurances on access, Australia's market share for exports of iron ore and coal to Japan had fallen. The resources and energy minister, Senator Evans, said it was difficult for Australia to accept such a decline in market share when it was price competitive. Australian ministers said despite Japan's program to open up its markets, barriers to agricultural imports remained virtually untouched.

Discussions on foreign policy issues have taken a more prominent role in the talks, and Japan has called for both countries to work jointly in promoting stability and development in the Asia-Pacific region. Strategic interests in the South Pacific have also been part of the talks. [end recording]

Japan Warns of Soviet Pressure

BK090945 Melbourne Overseas Service in English 0430 GMT 9 Jan 87

[Text] Japan's foreign minister, Mr Tadashi Kuranari, has warned Australia that increased Soviet pressure in the Pacific would undermine regional stability and security. Mr Kuranari told a top-level meeting of senior Australian and Japanese Government ministers in Canberra that the two countries should form an alliance to promote development in the Pacific. However, Australia has indicated that its economic relations with Japan would need to improve before any new agreements are undertaken.

Australia's foreign minister, Mr Hayden, told the meeting that Australia's ability to play a key role in the Pacific was being damaged by the economic policies of other countries; including Japan. Mr Hayden stressed the need for increased Japanese investment in Australia and for greater access to Japanese markets for Australian exports. The talks are continuing today in Canberra.

KYODO Reports on Talks

OW080945 Tokyo KYODO in English 0934 GMT 8 Jan 87

[By Narito Ohta]

[Text] Canberra, Jan 8 KYODO -- Japan and Australia agreed in principle Thursday to seek a "broader" economic relationship between them for greater economic and political stability in the South Pacific. The agreement came on the opening day of a Japan-Australia ministerial committee meeting, the ninth in a series that began in 1972.

Addressing a plenary session of the two-day meeting, Japanese Foreign Minister Tadashi Kuranari stressed the need to broaden trade and economic relations between the two countries beyond their traditional mutually complementary ties, cemented by Australian supplies of coal and other raw materials vital to Japanese industry. Kuranari, leading a five-member Japanese delegation, cited increased Japanese investment in Australia and closer cooperation in science and technology as examples of action for the purpose.

Australian Foreign Minister Bill Hayden echoed Kuranari's call, urging the establishment of "a much broader economic relationship" between the two nations based on "a wider range of economic linkages involving new economic complementarities." He also sought Japanese cooperation in Australia's efforts to restructure its economy which, depending heavily on primary product exports, has been hurt by subsidized farm exports from other countries as well as by declining prices. This is forcing Canberra to cut its aid to island countries in the South Pacific.

In a departure from the past meetings that focused on trade and economic relations, the latest session saw politics emerging high on the agenda amid growing Soviet presence in the South Pacific. Kuranari pledged Japan's commitment to greater economic and political stability in the region through increased economic support. Expressing concern over Moscow's growing influence there, he emphasized the need for stronger strategic cooperation between Japan and Australia.

"Friendly cooperative relations between Japan and Australia would build a favorable foundation for the West in the South Pacific," he added. Welcoming the Japanese initiative, Hayden characterized the meeting as representing a "new maturity" in the bilateral relationship and voiced his full agreement to all political points made by Kuranari.

Referring to bilateral economic relations, Kuranari reiterated Japan's pledge not to offer the United States and other countries favorable treatment in farm trade at the cost of Australian interest. Washington has been urging Tokyo to buy more beef and other farm produce, causing concern on the part of Canberra that this could mean a less market share for Australian supplies given Japan's continued import quota system.

Meanwhile, Australian Trade Minister John S. Dawkins told the meeting that Japan's plan to build a futuristic multifunction city somewhere around Brisbane in eastern Australia is "very challenging." The plan, proposed by the Ministry of International Trade and Industry (MITI), "contains some positive new elements for our relationship," Dawkins said. "It would be an ideal item for our next committee agenda." The proposal has been made as a "symbolic" undertaking between the two countries marking Australia's bicentennial on January 26, 1988, MITI officials said.

Dawkins urged Japan to purchase more Australian coking coal, which he said saw its market share in Japan shrinking 3 percent in the past decade. "Our concern, simply, is that market forces are not determining Australia's share of your market." He also called for a more open Japanese market for foreign farm products, saying barriers to their import "virtually remain untouched."

In the afternoon, the meeting broke into separate talks between Japanese ministers and their Australian counterparts. Dawkins urged Japan to increase beef imports from Australia, complaining that his country is treated unfavorably under Japan's import quota system, officials said.

Japanese Agriculture, Forestry and Fisheries Minister Mutsuki Kato said Japan does not discriminate against any country in allocating import quotas, adding that allocations are made in a global context. Of its global beef exports totaling 1.39 million metric tons in 1985, Australia exported 93,201 tons to Japan, up 1.3 percent over 1984. Australia's beef market share in Japan fell to 61.7 percent in 1985 from a peak of 80 percent in 1980.

Meanwhile, Kuranari and Hayden agreed at their meeting to establish a "wise men's group" -- comprising lawmakers, businessmen, labor leaders and academics -- to discuss ways of improving bilateral relations. Japan already has similar groups with the United States and some other countries.

The ministerial meeting is scheduled to end with another plenary session Friday morning, to be followed by a joint press conference by Kuranari and Hayden.

VER IRAN ARMS DEAL INVOLVEMENT COSTLY

HK081316 Manila THE MANILA TIMES in English 8 Jan 87 pp 1, 6

[By Joel Gaborni]

[Text] The former armed forces chief of staff, Gen. Fabian Ver, was actively involved in the Iran arms scandal of the United States, and it meant losses to the Philippine Government of billions of pesos due to the irregular transactions between the government and armament firms owned by cronies of former President Marcos and between these firms and U.S.-based arms merchants.

A high Camp Aguinaldo official, who asked not to be identified, told newsmen yesterday that Ver was directly involved in the Iran arms deal, with him and an Indonesian military officer among eight men who acted as "international couriers" in handling the delivery of arms to Iran, in violation of U.S. laws prohibiting such transactions with countries hostile to the U.S.

Earlier, the U.S. Justice Department had disclosed that Ver signed false and end-user certificates in late 1985 and early 1986 to make it appear that U.S. arms were to be delivered to the Philippines, when in fact they were delivered to Iran.

The Camp Aguinaldo official noted that besides using the fake certificates, Ver used local armament firms involved in the military's Self-Reliance Development Program (SRDP) to deliver, in behalf of U.S. based businessmen, arms to Iran, via Asian ports in South Korea, India and Indonesia among others.

The U.S. based arms traders were only too glad to deal with Ver since they did not have to worry about having to secure end-user certificates because the arms destined for Iran originated from Asian ports and, hence, were "undetectable" by U.S. authorities, the official said.

The "excess arms," the official said, came from the local armament firms close to Ver, which "shortchanged" their deliveries to the military to be able to meet their Iran-bound deliveries.

The armament firms were set up by businessmen close to Ver after the SRDP was established in 1974, the official said.

These firms, with the help of Ver, were awarded arms and ammunition contracts with the military through "closed-door negotiations and informal biddings," the official said.

He said the government lost billions of pesos under the program because the favored contractors and suppliers only delivered a fraction of the arms specified in the contracts, even after they were paid huge partial -- and at times, full-payment for the supposed deliveries.

Under the arrangement, Ver, the official said, pocketed "hefty commissions" for himself in two ways: from the SRDP contracts and from the Iran arms deal.

As an example, the official said, the military lost a P464 million in 1984 and 1985 in irregular arms purchases under the SRDP contracts, which on paper totaled P2 billion.

These losses, which he said are only the "tip of the iceberg," came from P276 million in overpayments to manufacturers and P209 million in "ghost deliveries."

One of the corporations, Avacorp, which is jointly owned by Ver's "friend," Edna Camcam, and an A.V. Andres, was supposed to deliver 384,988 rounds of 40 millimeter rifle grenades.

But Avacorp delivered only 300,232 rounds, he said.

Another Camcam owned firm, Hannah Corp., was supposed to deliver 200,000 flares in 1983, but the military received only 40,000 such items, the official said.

Dayton Corp., another firm of the SRDP, won a contract to deliver 375,000 rounds of 60 mm mortar ammunition, but only 275,000 rounds reached the military's armory, he said.

At present, the official said, they are investigating Elitool Corp., a firm allegedly owned by industrialist Manda Elizalde, which is the only manufacturer in Southeast Asia of M16 assault rifles licensed by the Armalite Corporation of the U.S.

Further on Ver Arms Deal

HK081308 Quezon City ANG PAHAYAGANG MALAYA in English 8 Jan 87 pp 1, 6

[By Vittorio Vitug]

[Text] Gen. Fabian C. Ver, former AFP [Armed Forces of the Philippines] chief of staff, allegedly diverted during his term a huge stockpile of firearms and ammunition estimated at half a billion pesos to the Iranian government with the help of Israeli and American intermediaries, military sources said yesterday.

The bulk of the firearms and ammunition was secretly transported to Iran through several ports in Asia in fiscal years 1984 and 1985, sources said. Most of the guns were intended for the use of the military and were manufactured locally through the so-called AFP Self-Reliance Development Program (SRDP) in guns and other combat equipment.

The deliveries consisted of mortar shells, rifle grenades, ammunition, flares, M-16 Armalite rifles, "baby" armalites, M-16 magazines and bayonets, sources said.

The disclosure came on the heels of the current investigation by the U.S. Congress of the Iran-Contra arms controversy which had rocked the administration of Ronald Reagan since the expose late last year.

Records furnished MALAYA showed that Ver, together with favored local arms manufacturing companies suspected to be owned by cronies of deposed President Marcos, cornered multi-billion-peso manufacturing contracts with the AFP.

The practice, records show, had caused the government to lose P464 million in fiscal years 1984-1985. The losses were broken down thus: P276.217 million due to overpricing and p208.3 million due to "ghost" or non-existent deliveries.

Almost P2 billion was spent to buy firearms to meet the requirements of the 250,000-strong Armed Forces.

Ver is now being investigated by the U.S. Government for his suspected participation in the arms scandal. His possible involvement surfaced early last December when U.S. Justice Department officials alleged that he signed end-user certificates in late 1985 and early 1986 which they said was an indication that arms intended for Iran were being delivered to the Philippines on transit destination.

They said this was party of a well-planned scheme to keep other U.S. officials from learning about the illegal transportation of arms and ammunition.

The end-user certificates were presented by the Israeli and American intermediaries to the U.S. State and Defense Departments to conceal the actual destination of the weapons. End-user certificates are required under U.S. law whenever arms and combat equipment are exported to show the weapons' ultimate destination.

Military sources said select U.S. and Senate-House committees in Washington are expected to probe deeper into the Ver angle of the arms controversy, especially with the discovery that arms shipments originated from three Asian nations: via Pusan, South Korea, New Delhi and an unnamed port in Indonesia.

The U.S. investigators are also preparing a full-scale investigation to look into the extent of participation of the Reagan administration. Some of the American investigators had also asked officers in the Armed Forces to help in the investigation.

Reports from Washington said the investigators were able to get fresh leads on the scandal after billionaire Arabian businessman Adnan Khashoggi, who acted as one of the bridge financiers for the Iran arms deal and a frequent visitor in Manila in 1984, agreed to cooperate. Initially, he implicated eight arms couriers, including several Israelis, an Austrian, a Costa Rican and two Asians -- one of whom is presumed to be Ver.

The unexplained losses in the SRDP had bolstered reports that Ver had indeed used his former position to supply the arms to Iran, earning for himself hefty commissions from the deal.

Ver exercised tight control over local arms manufacturers then which had shortchanged the government in supplying firearms and ammunition.

Some of the manufacturing firms were identified in the SRPD documents as Elitool Corp., Hannah Corp., Arms Corp., Ava Corp., Klk Corp., and Creser Corp. Most of the firms, the documents show, are partly owned by Ver or Marco's associates.

Military sources said Ver's involvement in the arms deal was necessary to escape detection from U.S. authorities. The Israelis, military analysts said, do not even have to worry about end-user certificates since the local arms originated from an Asian country and were delivered through transit ports.

But sources said the U.S. investigators are expecting to press on Ver's SRDP relationship with Elitool, known as Asia's sole manufacturer of M-16 rifles under license from Armalite Corp. In the U.S. the firm is said to be a venture of the AFP and industrial magnate Manuel Elizalde, a known Marcos crony.

Records show that Ver contracted Elitool under SRDP for the delivery of 210,000 M-16's, 185 baby armalites, 1.69 million M-16 magazines and 250,000 M-16 bayonets.

Washington probes, sources said, are probably investigating how much of the shipment was actually delivered to the AFP and how much may have been possibly diverted to Iran as no figures on deliveries or non-deliveries were made available.

Ver fled with Marcos on Feb. 25 to Hawaii. While Marcos remained in Hawaii, Ver and his family roamed the U.S. He was even seen once by government intelligence officers in Brunei and he is now in Switzerland.

He is said to be scouting for a "friendly" country which can take him in.

Marcos Said 'Blackmailing' U.S.

HK090842 Quezon City BUSINESS DAY in English 9 Jan 87 p 12

[By reporter Joel D. Lacsamana]

[Text] Deposed President Ferdinand Marcos has been reportedly blackmailing high level officials in U.S. President Ronald Reagan's administration to help Marcos return to the country and regain power, military officials told BUSINESS DAY.

Military intelligence sources who requested anonymity claimed that Marcos has been using the alleged involvement of former chief of staff, Gen. Fabian Ver, from 1984 to early 1986 in the Iran-Contra fund scandal as a leverage against certain U.S. government officials.

The sources revealed the other day recently declassified documents on the 13-year-old Armed Forces Self-Reliance Defense Program (SRDP) which indicated that Ver had allegedly orchestrated, in connivance with certain Israeli and American intermediaries, the diversion to Iran of over half a billion pesos worth of arms, ammunition and other military hardware that were intended for the AFP under the SRDP.

The military sources said their counterparts in Washington had informed them as early as July last year that Marcos had been threatening certain Republican Party officials in Washington that he has in his possession "all the papers and documents that Ver has."

These papers would show Ver's involvement in the Iran arms diversion within the local SRDP and the assistance Ver got from certain Israeli and American officials from 1984 and 1985, they said.

The sources said the SRDP armaments are believed to have been transported by Israeli arms dealers working closely with the defunct National Intelligence and Security Agency (NISA) and the Presidential Security Command (both formerly under Ver) through several transit ports in Asia before delivery to Iran.

This diversion scam, the sources said, incurred losses to the Armed Forces amounting to P464 million in the fiscal years 1984-1985, broken down as follows: P276.217 million due to overpriced units and P209.3 million due to "ghost deliveries" which have yet to be accounted for.

Sources confirmed reports that Marcos has also been threatening certain U.S. officials in the Reagan government with the disclosure of documents purportedly proving that Ver had signed false end-user certificates in late 1984 and early 1986.

These certificates indicated that the U.S. arms intended for Iran were being delivered to the Philippines as transit destination.

Ver's involvement in the Iran arms scandal first surfaced early December when U.S. Justice Department officials reportedly confirmed that Ver had signed end-user certificates which were then used by Israeli officials to conceal from the U.S. state and defense departments the actual destination of the U.S. arms they were transporting.

Sources said if Marcos is telling the truth, the former president is holding what could be constituted as a "strong leverage" against the Reagan government.

The sources noted that the Marcos documents could be "dangerously incriminating" for some officials in Washington should their contents be made public.

Military sources also said U.S. Congressman Stephen Solarz, who was in Manila for a week-long visit recently, had been discreetly investigating the extent of Ver's local arms dealings under the SRDP.

Solarz is a member of the House committee investigating the Iran arms-Contra funds scandal.

While in Manila, the sources said Solarz was particularly interested in an arms contract entered into by Ver and his associates with a local arms company said to be owned by a Marcos crony, which was the sole supplier/manufacturer of M-16 rifles in Southeast Asia.

'SUPERPOWER' REPORTED AIDING COMMUNIST NPA

HK091214 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 9 Jan 87 pp 1, 7

[By A.F. Soriano]

[Text] A superpower has granted the CPP [Communist Party of the Philippines] NPA-NDF [National Democratic Front] some \$200 million in financial support for the purchase of arms and other war material abroad, using a third country foreign national as conduit in the arms deal, a military source said yesterday.

The EXPRESS informant, who returned Wednesday from Bacolod City, also said that former priest and exile Luis Jalandoni, who is the NDF's Europe-based international representative, had made overtures with the Soviet Union for more support for the local communist movement.

However, Jalandoni denied that the Soviet Union has been giving support [to] the local communists but admitted that they have sought the help of some peace organizations abroad in monitoring the progress of the current ceasefire agreement.

But EXPRESS sources said the CPP/NPA/NDF had failed a written request to the superpower asking for financial assistance in the light of the latter's current struggle.

Last January 4, sources said, a national of a third country left for an undisclosed place abroad to finalize the arms deal.

It was revealed that the sale could be consummated somewhere in Europe where the NDF has headquarters.

The CPP/NPA/NDF is reportedly taking advantage of the current ceasefire by engaging in intensive propaganda and recruitment work. In addition, it is reportedly building its arms arsenal in preparation for the so-called third and final stage in its struggle.

NDF DENIES SEEKING FUNDS FOR ARMS FROM PRC

HK090857 Hong Kong AFP in English 0849 GMT 9 Jan 87

[Text] Manila, Jan 9 (AFP) -- Philippine communist insurgents Friday said they are not engaged in arms procurement from foreign sources, denying a newspaper report that they were seeking funds from China to buy weapons in Europe.

"We are not procuring firearms at this time," National Democratic Front (NDF) spokeswoman Carolina Malay-Ocampo told a news conference. She was asked if the NDF was buying arms from foreign sources during the current truce.

The PEOPLE'S JOURNAL tabloid, quoting "a reliable source," reported Friday that China had approved a 200 million dollar aid for arms and war materials sought by the outlawed Communist Party of the Philippines (CPP) and the NDF.

Mrs. Ocampo said the rebels "know absolutely nothing of the sort," adding that journal story was a "deliberate leak from military headquarters to cover up for the weapons build-up" of the Philippine Armed Forces.

She cited a request by the administration of U.S. President Ronald Reagan to the U.S. Congress asking for an additional 50 million dollars in military aid to the Philippines, which hosts two large U.S. military bases, and an additional 95 million dollar request for the improvement of those facilities.

Armed Forces Spokesman Anselmo Cabingan would not comment on the report.

The JOURNAL said the rebels intended to buy arms through arms dealers in Europe through an unnamed representative from a third country who left for Europe early this week.

The NDF, currently engaged in negotiations aimed at settling the 18-year old insurgency, have said they would welcome "high-powered arms, all kinds of arms" and would accept them from foreign governments, depending on the circumstances.

They also admitted Wednesday to having receiving material aid from foreign governments but denied knowledge of an offer of Soviet arms and money.

A Chinese Embassy official here said the journal's report was "absolutely not true. We have no connection with the NDF and the CPP."

The previous government of Ferdinand Marcos had accused Beijing of aiding the Communist New People's Army (NPA) during the early 1970s. The assistance was said to have stopped when Manila established ties with communist Beijing in 1975.

Mrs. Ocampo said the journal report "seems to be inconsistent with the Chinese Government's policy."

Mrs. Ocampo said the rebel negotiating panel received a letter from Presidential Counsel Teodoro Locsin Friday rejecting the NDF's demand for the release of jailed communist leader Rodolfo Salas.

She said the continued detention of Mr. Salas, whom the NDF insists is a member of the rebel negotiating panel, "would pose a major obstacle to the talks."

NDF PREDICTS PEACE TALKS, TRUCE FAILURE

HK090908 Quezon City BUSINESS DAY in English 9 Jan 87 p 12

[By reporter Tara S. Singh]

[Text] The National Democratic Front (NDF) yesterday said the ceasefire and peace talks with the Aquino government are "headed for total failure."

Antonio Zumel, a member of the NDF negotiating panel, told newsmen that the ceasefire agreement and the peace talks are endangered because of "heightening arrogance" of the Aquino peace negotiators in dismissing its proposals, including the dismantling of "fascist structures in our society."

Zumel also accused the Aquino peace panelists of injecting "extraneous matters" in the ceasefire agreement and in the substantive peace talks.

The NDF pointed to government negotiator Teofisto Guingona and Armed Forces Chief of Staff Gen. Fidel V. Ramos of "inventing reasons" to scuttle both the substantive peace talks and the ceasefire agreement.

Guingona and Ramos "now falsely make it appear the NDF is engaging in hostile acts which imperiled the ceasefire and even the negotiation on other substantive issues," Zumel said.

The Aquino officials made it appear that the NDF "tax collection" is a "hostile act." Under the ceasefire agreement "Taxation" by the communists is not considered a hostile act.

"We are likewise disturbed by Guingona, his lie and underhanded peroration regarding the collection of revolutionary taxes by NDF forces," Zumel said.

Zumel told newsmen that the NDF and the government have agreed from the start that "neither side should try to gain undue advantage over the others" and that the point was to stop shooting in the meantime while negotiations are ongoing.

He noted that neither in the ceasefire agreement nor in the agreement on safety and immunity guarantees is the collection of revolutionary taxes by NDF forces a proscribed act.

"In recognition of the reality of tax collection by the revolutionary forces the government merely stated it would try to stop this collection," Zumel explained.

With all these acts, by the government, Zumel said if the Aquino negotiators will continue to behave this way even at this early stage of the peace talks, "we are afraid that much to our regret the talks are headed for total failure."

Zumel said when the NDF entered into negotiations with the Aquino government, it was with the understanding that the NDF was entering into "a dialogue at which each side would listen to the other and give due consideration to the views of the others."

Zumel said the arrogance of the Aquino panel will certainly lead to the scuttling of the current talks.

Zumel said the Aquino panelists are now acting like "little gods that they can rule perfectly without taking into account the views and proposals of others."

Zumel reminded the government that "like Marcos, other dictators elsewhere had behaved like a god. Look. Where are they today?"

Zumel said they hold talks with the Aquino government with the understanding that the NDF proposals would be considered and that the dismantling of "fascist structures in our society and for the extension of justice of victims of fascist repression would be considered."

NDF AWAITS GOVERNMENT RESPONSE TO ISSUES

HK081248 Manila THE MANILA CHRONICLE in English 8 Jan 87 pp 1, 6

[Text] The progress of the second phase of the peace talks depends on how well the Government responds to 10 "priority measures" proposed by the National Democratic Front (NDF), Carolina Malay, chief of staff of the NDF panel, said yesterday.

In a press statement, the NDF expressed disappointment at the Government's "apparent reluctance" to immediately act on what the rebel panel said were "eminently reasonable" proposals.

"We only have a few more weeks to go and substantial progress must be made for us to be able to justify to people the trouble that we have been taking and the effort the Government has been making," Malay said. The ceasefire, which both sides agreed should last at least 60 days, reached its 28th day yesterday.

Last Tuesday, the NDF had proposed, among others, the release of alleged Communist Party Chairman Rodolfo Salas, the dismantling of the Civilian Home Defense Forces (CHDF), the reorganization of the Armed Forces, the repeal of "repressive" decrees and more guarantees for human rights.

Malay reiterated the NDF view that the ten items it proposed were commitments which the Aquino Government had already made but which it could easily implement "it it makes up its mind to do so."

But she added that the NDF realized that other issues like the reform of the Armed Forces would take more time "because they have to do with structural reforms."

If some of these issues are resolved, then the Government and the NDF can agree on more fundamental principles, Malay said.

"We would be willing to exercise a great deal of flexibility in the implementation of principles that have been agreed upon," she said.

"What we're really after is for both sides to agree upon certain principles that should govern the relationship between them and the relationship between the Government and its people."

If this agreement is reached, then, "both sides should be prepared to give way to each other on such matters as when, where and how," Malay added.

AFP SECRET PAPERS SAID LEAKED BY PALACE TO NDF

HK091224 Manila PHILIPPINE DAILY INQUIRER in English 9 Jan 87 p 4

[From "Straight From the Shoulder" column by Luis D. Beltran: "Top Secret NAFF Documents Leaked by Palace Boys to NDF"]

[Text] The most dangerous threat to the stability of the administration of President Aquino is the perception that the Communists have access to her government.

If this perception deepens -- and especially if the military believes that the President is helpless to prevent the Communists from influencing her decision because some of her most trusted men are their allies -- she may become the object of a pre-emptive coup, this time not by men of ambition, but by military men patriotically trying to save her and the country.

Right now, the President should know that top military circles are deeply disturbed by the fact that a top-secret report sent by NAFF [New Armed Forces of the Philippines] Chief of Staff General Fidel Ramos to the President on a "For Your Eyes Only" basis -- wound up within 24 hours in the hands of the negotiators of the National Democratic Front.

That top-secret document included the minutes of the meetings of the RP-U.S. mutual defense board in which U.S. military officials were quoted as having offered helicopters and strategic maps for the use of the NAFF in the event of a breakdown in the ceasefire talks.

Military sources told us that General Ramos was visibly startled by the fact that the NDF negotiators were waving photocopies of the top-secret report within 24 hours after it was submitted to the Office of the President in Malacanang.

If the Philippine military is upset, one can imagine how U.S. intelligence circles are reacting to the fact that their proposals are leaking from the seat of government to the Communists.

SPANISH DAILY INTERVIEWS PRESIDENT AQUINO

PM081443 Madrid EL PAIS in Spanish 17 Dec 86 p 2

[Interview with Philippine President Aquino by Ramon Vilaro and two unidentified Spanish journalists in Manila; date not given]

[Excerpt] [Introductory passage omitted] Question: Was there really an attempted coup 23 November by Juan Ponce Enrile and the young reformist officers?

Answer: An official investigation has been opened, and Defense Minister Rafael Ileto will inform me when it has finished.

Question: During the critical days of late November, Chief of Staff General Fidel Ramos presented to you a list of demands which included the dismissal of several ministers in your Cabinet. Are you following the agenda set by the military with the current changes?

Answer: No. Not at all. Before the public began to seek changes in the Cabinet I was already intending to carry them out. The Philippine people, who took part thoroughly not only in the February revolution but throughout the campaign, deem themselves entitled to give advice about when a minister who is not sufficiently effective should be replaced.

Question: It has been repeatedly asserted that Gen Fidel Ramos is the guarantor of democracy. Do you believe that this is so?

Answer: It is the people who guarantee democracy. Without the people, the February revolution would have never happened. It must be recalled that it was actually the people who in February protected the military personnel who rebelled against Marcos.

Question: Is an attempt being made to carry out a thorough reform within the Philippine Armed Forces?

Answer: It takes time to put right what Marcos brought about through the introduction of martial law. We are carrying out reforms in both the civilian and military spheres, and the aim is to restore the Armed Forces to what they were before the dictatorship; that is, subject to civilian authority and performing their task of defending the people.

Question: With respect to the press, do you have information as to whether Marcos is financing some of the newspapers most critical of the government?

Answer: I do not know. I have no proof. But in fact there are many people who still support him, which explains why they sometimes criticize me and the government so harshly.

Question: There has been a cease-fire between the Army and the guerrillas since 10 December. What options do you have if the truce is broken?

Answer: We considered that, even before signing the agreement 27 November, and we believe that the most important thing in this whole matter is for the government to be able to offer not only the rehabilitated rebels but also all Philippine people an opportunity to find a new way of life. This is the reason why it was decided at the last Cabinet meeting to set up an interministerial committee in order to institute a plan for receiving the rebels who wish to return to civilian life.

Question: National Democratic Front [NDF] leader Saturnino Ocampo speaks of the need for a coalition government which would include the Communists as a prerequisite for a final peace. Do you deem it feasible?

Answer: I still say that I can see no possibility just now of appointing any Communist to my government. I do not know exactly what Mr Ocampo means, but perhaps he has in mind some NDF members running for deputies, governors, or mayors in the next elections.

Question: Will you legalize the Communist Party?

Answer: It does not depend on me at present. The new Congress which emerges from the May elections will have to take charge of this matter.

Question: Will you grant a general amnesty to the guerrilla rebels?

Answer: The Cease-fire Monitoring Committee will discuss this matter.

Question: According to Philippine press reports, most of the Philippine military remain opposed to the existence of a cease-fire.

Answer: I disagree with that. Defense Minister Ilete and Gen Fidel Ramos have explained the purport of the cease-fire sufficiently to the military, and all that the military are doing is to follow the government's orders. There will be some problems, and that is why the monitoring committee was set up, although I firmly expect that the truce will be successful.

Question: The guerrillas have stated in their latest public appearances that an essential prerequisite is the removal of the U.S. bases. What is your opinion?

Answer: A sincere effort by both sides will be needed in order to reach an agreement, and, above all, issues which need not be decided at this precise moment should not be introduced. Apart from this, it is very clearly specified in the new Constitution what our stance will be with respect to the U.S. military bases in the Philippines. (Aquino guarantees the bases' remaining until 1991, when the issue will have to be renegotiated.)

Question: What makes you believe that the cease-fire will work in the Philippines when it has not worked in any other country?

Answer: Well, I believe that it has worked in Colombia, for instance. I agree that it is almost impossible for the cease-fire to work 100 percent, but if we succeed in establishing it in most areas of the country, it will have favorable effects on economic development. In fact I have asked some of my colleagues to study carefully the case of Colombia, where, so I have been informed, the peace agreement has enabled the economy to function better. It must not be forgotten that the rebellion and the economic situation are closely connected.

Question: In 11 months you have achieved considerable successes in the political field -- human rights, freedom of expression, democratization, the drafting of a new Constitution -- but apparently very little in the economic field. Monsignor Fortich, the Bishop of Negros, has even said that it is poverty which is driving people into the rebels' ranks.

Answer: There are indeed people still begging on the streets, but things have improved. To begin with, the flight of capital has stopped, as is demonstrated by the stabilization of the exchange rate between the peso and the dollar. Of course economic recovery cannot be rushed. Inflation is almost nonexistent, and there is another set of favorable indicators. What we must do now is to begin to rebuild. As far as unemployment is concerned, I must admit that we have not been able to resolve the problem, although we have a plan under way to create mass employment in the countryside and in the urban areas. My main priority now is to create employment, and to achieve this we need foreign investment, for which there must be labor peace.

Question: Are you offering incentives to attract foreign capital?

Answer: Of course, with the putting in order of our economy, and that is why some new investors have started to flow in. We have also begun the privatization of many government enterprises. Next month we will begin negotiations with the banks with claims arising from the Philippine foreign debt and we hope to secure terms at least similar to those secured by Mexico.

Question: Why does the new Constitution which you will put to a referendum 2 February include a new 6-year presidential term and does not await the decision of the May general election?

Answer: People's perception when they voted in the 7 February 1986 presidential election was that they were convinced that they were voting for a 6-year presidential term and not that they were voting just for a president for 1 year. Well, the new Constitution only extends the presidential term by 4 months, since the next presidential election will be in June 1992.

CEASE-FIRE COMMITTEE DEFINES 'POPULATION CENTER'

HK081254 Manila THE MANILA CHRONICLE in English 8 Jan 87 pp 1, 6

[By Vet Vitug]

[Text] "Population centers" are town centers and outlying settlements where there is a church, marketplace or school, any which could be along the main road.

This is the definition of the controversial term agreed on by the National Ceasefire Committee (NCC) yesterday.

It was offered as a compromise by the three civilian members of the committee after their military and rebel colleagues refused to soften up their own stands.

Bishop Antonio Fortich, NCC chairman, admitted the interpretation was too broad. He said he was leaving it up to the local ceasefire committees to give the term a finer interpretation.

The "population center" issue had dragged because it defines the areas where rebels can and cannot bear firearms. Under the ceasefire agreement signed last Dec. 10, the rebels cannot display or carry firearms in areas classified as population centers.

The military maintained that any heavily populated area must be considered a population center. The rebels insist that they can carry firearms even in thickly populated areas outside of town centers where their presence had been felt.

Fortich said they considered public safety as the uppermost concern in coming up with the definition of population centers.

He added that defining it is a matter of "common sense."

Such statement meant that the Local Ceasefire Committees [LCC's] will be guided by their own perception of what constitutes a population center. "The LCC's can even conduct a survey among the residents what a population center is," Fortich said.

In a related development, the Kilusang Bagong Lipunan yesterday asked the Government to expand the authority and membership of the provincial ceasefire committees.

The KBL argued that some NPA representatives to the Local Ceasefire Committees "are sincerely desirous of bringing lasting peace to their respective 'fronts' provided that their demands for meaningful social, political and economic reforms are carried out."

The KBL added that the Local Ceasefire Committees, with expanded membership and authority, can "conduct their own talks on substantive issues, regardless of the progress and outcome of the negotiations on the national level."

GENERAL RAMOS LABELS PNB COMMUNIST 'FRONT'

HK081252 Manila THE MANILA CHRONICLE in English 8 Jan 87 pp 1, 6

[Excerpts] Armed Forces Chief Gen. Fidel Ramos yesterday said the Partido ng Bayan (PnB) [People's Party] is a front organization the Communist Party of the Philippines is using to field candidates in the local and legislative elections this year.

Reporting to the Cabinet on the peace and order situation, Ramos said the CPP [Communist Party of the Philippines] posed a continuing threat to the Aquino government.

Another threat comes from the Marcos loyalists who had formed 45 organizations in the Philippines and three in the U.S. to sustain an "information campaign" on the projected return of the deposed ruler, Ramos said.

Reacting to Ramos' charge, the PnB said it was a "brazen and malicious lie" designed to "destroy its credibility."

"The PnB reiterates that it is an independent, national and democratic party beholden to no one but the Filipino people," it said in a press statement.

In this report, Ramos said the CPP started in mid-1986 its "popular democratic movement" to launch mass campaigns and its electoral agenda. [passage omitted]

Meanwhile, the PnB accused Ramos of "parotting the line of (former Defense Minister) Juan Ponce Enrile, the Marcos loyalists and the U.S. patrons" and of "buying shopworn charges in order to stifle the growth the party has achieved."

"Enrile may be out of office, but we have another Enrile in the person of Ramos," the PnB said. It also branded Ramos as a "U.S. boy who stubbornly refuses to face the fact that the PnB is in constant and vigorous pursuit of genuine solutions to people's problems."

ILETO PROPOSES 'MUTUAL REDUCTION' OF TROOPS

HK091038 Hong Kong AFP in English 1033 GMT 9 Jan 87

[Text] Manila, Jan 9 (AFP) -- Philippine Defence Minister Rafael Ileta Friday called for a mutual reduction of government and communist guerrilla troops to attain peace, the PHILIPPINE NEWS AGENCY (PNA) reported.

Mr. Ileta said that the government would submit his proposal to communist representatives with whom Manila is negotiating for a political settlement to the 18-year-old insurgency, the PNA said.

Mr. Ileta reportedly said that he was willing to consider a reduction in the present size and budget of the Armed Forces, but he did not elaborate.

The Armed Forces, including police and paramilitary units under its control, is estimated to be 250,000-strong.

They are ranged against some 22,000 armed regulars of the insurgent New People's Army, the armed wing of the banned Communist Party of the Philippines, and about 8,000 Moslem guerrillas in Mindanao and other southern islands.

"For as long as there is a proliferation of high-powered firearms in the country, there will always be an unpredictable peace and order situation because this has always been the root cause of it all," PNA quoted the minister as saying.

Mr. Ileta said his proposal was not for the communists to lay down their arms but for a gradual reduction of their arms and forces.

Carolina Malay-Ocampo, a spokeswoman for the National Democratic Front (NDF) which represents the communists in the talks, said later that the NDF would have to study the government proposal before it could give an answer.

She said that "people always welcome reductions in the level of troops," but added that even if the armed forces was cut by half, "it would still enjoy superiority over the New People's Army."

MINDANAO TROOPS ORDERED TO SHOOT ARMED REBELS

HK090145 Manila Far East Broadcasting Company in English 2300 GMT 8 Jan 87

[Text] In Mindanao, army troops have orders to shoot to kill any rebel who resists arrest for violating the firearms ban. The order was issued to the troops by South Command Chief Brigadier General Cesar Tapia, who said he issued the orders due to the continuing violations of the firearms ban by NPA and Muslim rebels in population centers. Gen Tapia warned that the rebels who insist on defying the firearms ban will face the full might of the military in Mindanao. He said he has ordered all his field commanders to shoot and take punitive action against any rebels or individuals or groups who resist military moves to disarm them if they enter population areas.

AQUINO TO ANNOUNCE ELECTIONS DATE NEXT WEEK

HK081242 Manila THE MANILA CHRONICLE in English 8 Jan 87 pp 1, 2

[Text] President Aquino will announce next week the schedule of local and legislative elections, Political Affairs Minister Antonio Cuenco said yesterday.

There is a proposal to synchronize both elections on May 11, Cuenco said, but difficulties in holding the polls in one day and safeguard the ballots work against it. Cuenco said he had asked Mrs. Aquino to announce the date of local elections at next week's Cabinet meeting if it should be held separate from the May 11 polls for the 24 Senate and 250 Congress seats. He said he recommended to the President four options: Synchronized elections on May 11, or elections that should be held two weeks or one month or three months apart.

Commission on Elections [Comelec] Chairman Ramon Felipe earlier told the President that the three-month break between the two elections would be needed.

Comelec rules prescribe that ballot boxes cannot be opened for three months after an election to allow time for parties to contest the poll results.

The president has said that in this case, Government might then have to acquire additional ballot boxes which would mean additional expenses.

Holding the elections for local and legislative officials would not be possible in one day because each of the estimated 24.8 million voters will require 45 minutes to write down the names of about 45 candidates.

The Comelec is reportedly keen about holding the local elections three months after the legislators are elected.

Cuenco said Mrs. Aquino would announce the date of local elections so the people would know and "to boost the approval of the draft Constitution" in the Feb. 2 plebiscite.

But Press Secretary Teodoro Benigno said local elections may be announced only after the plebiscite.

Comelec Chairman Ramon Felipe, Jr. said that if he had his way, he wants the elections held in August, three months after the national polls. That would give the Comelec enough time to prepare, Felipe said. The Comelec does not favor synchronized national and local elections, since that would take too long and use up too much supplies.

Felipe said that if the President decides on simultaneous elections or local elections three weeks after the national elections, the Comelec will just have to try its best -- "like a good soldier."

Meanwhile, Armed Forces chief of staff Gen. Fidel V. Ramos asked the Comelec to let soldiers, and members of the PC-INP [Philippine Constabulary -- Integrated National Police] to vote in the places where they are assigned on election day. The Comelec earlier revoked that right under Resolution No. 1807, saying the practice breeds fraud. Ramos said he ordered AFP's Operations Chief Brig. Gen. Alexander Aguirre to draft a proposal that could be signed by President Aquino into an executive order to enable the men and women in uniform to cast an "absentee ballot".

FIJIPOLLING FOR ELECTION TO BE HELD 4-11 APR

BK300704 Melbourne Overseas Service in English 0500 GMT 30 Dec 86

[Text] Polling for next year's general election in Fiji will be held from 4 to 11 April. The dates were set by the Electoral Commission. The supervisor of elections, Mr Michael Scott, says registration will start on 5 January running until 19 January. Nomination day for candidates has been set for 9 March. Parliament was dissolved earlier this month to pave the way for an election which will be held 6 months before it is due. The ruling Alliance Party held 30 seats in the 52-member House of Representatives. The National Federation Party had 16 seats; the Labor party, 4; and independents, 2. The National Federation Party and the Labor Party have formed a coalition to fight the election under the Labor leader, Dr (Timoki Rabandra).

KIRIBATIMELBOURNE ON GENERAL ELECTION PLANNED FOR MARCH

BK060726 Melbourne Overseas Service in English 0500 GMT 6 Jan 87

[Text] A general election is to be held in Kiribati during the 1st week of March. AUSTRALIAN ASSOCIATED PRESS says the Pacific island nation's 37-seat parliament will be dissolved next month. The news agency points out that elections in Kiribati are held every 4 years, and a week is required for the poll because the islands are so widespread. At present, supporters of President Ieremia Tabai hold about three quarters of the seats in the legislature, the others being independents and two members of the Christian Democratic Party. The Kiribati announcement means there will be one election a month in the South Pacific in the first 4 months of this year. The others are in Nauru on 24 January, Tonga on 18 and 19 February, and Fiji from 4 to 11 April.

NAURUMELBOURNE ON DEROBURT MAJORITY IN HOUSE

BK210834 Melbourne Overseas Service in English 0500 GMT 21 Dec 86

[Text] A political crisis in Nauru appears to have ended with the appointment of a former opposition parliamentarian to the government ranks. AUSTRALIAN ASSOCIATED PRESS [AAP] quotes government sources as saying that the parliamentary speaker, Mr (Kinso Clodomer), will step down to become minister for finance in the cabinet of President Hammer DeRoburt. Mr (Clodomer) was elected speaker only last week. Three months ago, he was finance minister in the government of the then president, Mr Kennen Adeyang.

The reported move ends 2 weeks of political instability in Nauru involving the 18-member Parliament. Elections earlier this month created a parliament evenly divided between supporters of Mr DeRoburt and Mr Adeyang. However an impasse emerged over the appointment of a nonvoting speaker which would have left one side with a majority. The impasse led to two quick changes in the presidency. But AAP says the move by Mr (Clodomer) gives President DeRoburt 10-8 majority in Parliament, enough to elect a speaker and stay in government.

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